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Meeting: Finance and Resources Scrutiny Committee
Date: Tuesday 2nd November, 2021
Time: 7.00 pm
Venue: Council Chamber, Swanspool House, Doddington Road, Wellingborough, Northants NN8 1BP

To members of the Finance and Resources Scrutiny Committee

Councillors Councillor Mark Pengelly (Chair), Councillor Richard Levell (Vice-Chair), Anslow, Brown, Hakewill, Harrington, Henson, Jelley, Jenney, Lawal, North and Ward

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ITEM	NARRATIVE	DEADLINE
Members of the Public Agenda Statements	Requests to address the committee must be received by 12 Noon on the day before the meeting. Speakers will be limited to speak for 3 minutes.	12 Noon Monday 1 st November 2021

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Minutes of a meeting of the Finance and Resources Scrutiny Committee

At 7.00 pm on Tuesday 14th September, 2021 in the Committee Room, Municipal Offices, Bowling Green Road, Kettering, NN15 7QX

Present:-

Members

Councillor Mark Pengelly (Chair)
Councillor Valerie Anslow
Councillor Scott Brown
Councillor Jim Hakewill
Councillor Ken Harrington

Councillor David Jenney
Councillor King Lawal
Councillor Malcolm Ward

Officers

Janice Gotts - Executive Director of Finance
Adele Wylie – Director of Legal and Democratic
Mark Dickenson – Assistant Director of Finance & Strategy
David Pope – Senior Committee Administrator

Also in attendance

Councillor Lloyd Bunday – Executive Member for Finance and Transformation
Councillor Wendy Brackenbury – Chair of the Scrutiny Commission

8 Apologies

Apologies for absence were received from Cllrs Larry Henson, Ian Jelley, Richard Levell and Steven North.

9 Minutes of the Meeting Held on 13th July 2021

RESOLVED that: The Finance and Resources Scrutiny Committee agreed the minutes of the meeting held on 13th July 2021 as a true and accurate record of the meeting.

10 Members' Declarations of Interest

No declarations were received.

11 Notification of requests to address the meeting

None.

12 Budget Monitoring 2021/22 - Period 4

Members received the Budget Monitoring Report 2021/22 for Period 4. The report sought to advise the Scrutiny Committee of the budget monitoring position for the Council as at the end of July 2021. The report was based on the latest monitoring report as presented to the Executive on 26th August 2021.

The Committee noted a forecast General Fund underspend of £266,000 against an approved budget of £292.5million net. This showed a favourable movement of £325,000 from Period 3, at which point a £59,000 overspend had been forecast. The main budgetary movements were outlined, with details for the variations provided.

It was noted that the most significant financial risk to the Council was Adult Social Care, with more detailed work being required to better understand the likely ongoing impact of social care requirements, with the recent government announcement in relation to the Social Care Levy likely to have a significant impact alongside the ongoing Covid pandemic. In addition, disaggregation of care packages from the former County Council needed to be up to date and correctly aligned to each unitary authority.

Members noted that the Council was awaiting confirmation of lead authority arrangements that it had entered into alongside West Northamptonshire Council (WNC) in regard to specific service areas, with details of applicable cost recharges also awaited. It was noted that WNC had just produced its first monitoring report and details of the report would be examined by the Council's finance team.

The Committee heard that the Council continued to closely monitor commercial income, and collection rates for both Council Tax and Business Rates were holding up.

It was acknowledged that there had been some movement of Council staff since vesting day, with internal staffing structures forming and settling. This had resulted in a number of staff vacancies, with work ongoing to identify which posts required recruitment.

The Committee heard that a significant proportion of the Council's budgets were based on the disaggregation principles and amounts agreed as part of the budget setting process. Any changes arising from budgetary movements would be reflected in virements or picked up through new Medium Term Financial Strategy.

Members asked a number of questions in relation to:

- The mitigation of risks associated with charging arrangements for lead/host arrangements with WNC, due to late financial information being received
- A request to specifically highlight budgetary movements relating from staffing unfilled vacancies

- Further details on post-Covid leisure contracts in terms of income losses and whether services were seeing a return to normal operation
- Concerns were raised regarding the number of staff vacancies, especially within the planning department
- Progress of the Transformation Programme and savings achieved as a result
- Car parking charges and the need for consistency across North Northamptonshire
- The Adult Social Care budgetary forecast
- The reasons for the forecast pressure on Fixed Penalty Notice income for on-street parking
- Potential funding sources for the “levelling-up” agenda
- The Council’s winter plan for rough sleepers
- A request to receive details of the Council’s asset register
- Funding sources to cover the support of Afghan refugee placements
- The percentage of local businesses that had ceased trading due to Covid pressures
- Availability of outturn figures for the final budgets of the former Corby Borough Council, East Northamptonshire District Council and Northamptonshire County Council
- A request that percentage and original budget columns be inserted into future outturn figures
- Concessionary bus fares underspend
- A request to invite the Children’s Trust to a future meeting of the Committee

The Committee was advised that details of the Council’s winter plan for rough sleepers would be circulated to members. In addition, details of the Council’s asset register would also be circulated.

RESOLVED that the Committee noted and commented on the budget monitoring position as at Period 4 as outlined above.

13 **Scrutiny Work Planning Event**

The Committee received a verbal update from the Director for Legal and Democratic regarding the upcoming Scrutiny Work Planning Event scheduled for 9th October 2021.

It was noted that the event had originally been scheduled for August, however member availability had resulted in a change of date. The event, to be held at Wicksteed Park, Kettering, would be hosted by the Centre for Governance and Scrutiny, an independent body that sought to support organisations by promoting better governance and scrutiny, both in policy and in practice.

Ahead of the event a press release had been issued containing a survey seeking the views of the public, stakeholders, members and staff as to which local issues required consideration by the Council's scrutiny arrangements. This press release was backed by both Cllr Mark Pengelly and Cllr Wendy Brackenbury, the Chairs of the Council's two scrutiny committees. Feedback received from survey responses would be collated and circulated to members, who would then be requested to prioritise the areas for review to inform the creation of the Annual Work Plan for Scrutiny at the event on 9th October.

It was noted that undertaking work on this basis offered an ordered approach to scrutiny and adhered to best practice. Such scrutiny work needed to have a meaningful impact and the Council would ensure that there were sufficient resources made available to members to enable efficient, beneficial outcomes. The Annual Work Plan would be published publicly, with the opportunity provided to the scrutiny committees to present an annual update of work undertaken to Full Council.

Members broadly welcomed the concepts outlined above and asked questions in relation to smaller work plan elements and the annual budget scrutiny process.

Chair

Date

The meeting closed at 8.42 pm

Finance and Resources Scrutiny Committee 2nd November 2021

Report Title	Budget Strategy Process 2022/23
Report Author	Janice Gotts Executive Director of Finance Janicegotts@northnorthants.gov.uk
Executive Member	Lloyd Bunday Executive Member for Finance and Transformation

List of Appendices

None

1. Purpose of Report

- 1.1 This report sets out the draft budget strategy for 2022/23 and covers the period up to 2025/26.
- 1.2 The Finance and Resources Scrutiny Committee is requested to consider the report of the Executive Director of Finance and S151 Officer for the budget strategy in relation to the forthcoming financial year and to consider the approach to Consultation and Equality Impact Assessments (EIA) as part of the budget setting process, alongside the process to scrutinise the draft budget and Medium-Term financial assumptions.
- 1.3 At the Council Meeting on 23rd February 2022 the following reports will require approval;
 - The **General Fund** budget and the Council Tax levels for 2022/23 and the General Fund Medium Term Financial Plan for 2023/24 to 2025/26.
 - The **Housing Revenue Account (HRA)** Budget for 2022-23 and the level of Housing Rents for 2022/23 and the Housing Revenue Account Medium Term Financial Plan for 2023/24 to 2025/26.
 - The **Capital Strategy and Capital Programme 2022-26** for the both the Housing Revenue Account and the General Fund.
- 1.4 Prior to the reports being presented to Council, the financial position will require scrutiny by this Committee. This report sets out the budget strategy process including the proposed scrutiny arrangements for comment.

2. Executive Summary

- 2.1 The report provides an overview to the Budget Strategy for the 2022/23 budget process for the General Fund, the HRA and the Capital Programme. It also sets out the proposals for scrutiny together with an overarching timeline.
- 2.2 This report will also be presented to the Executive at its meeting on 18th November, including feedback from this Committee.

3. Recommendations

- 3.1 It is recommended that the Finance and Resources Scrutiny Committee:
- a) Note and comment on the budget setting process, noting that this report will be presented to Executive at its meeting on 18 November.
 - b) Note the proposed timeline for the setting of the budget and that this may be subject to change in line with Government announcements.
 - c) Comment on and agree the proposed scrutiny arrangements as set out in this report, see particularly section 6 of the report.
 - d) Note and comment on the process for consultation as set out in Section 7 of the report.
- 3.2 Reason for Recommendations – To inform Members of the budget strategy process for the 2022/23 budget process and confirm the scrutiny arrangements.

4. Report Background

- 4.1 The Council's first budget was set by the Shadow Authority at its meeting on 25th February 2021. This report considers the approach for the setting of the 2022/23 Budget and Medium-Term Financial Strategies and for the Finance and Resources Scrutiny Committee to consider the approach and to make any recommendations to the Executive for consideration at its meeting on 18th November 2021.
- 4.2 At the time of writing the report, the Chancellor's Autumn Statement of 27th October had not been announced.

General Fund

- 4.3 The Council's General Fund budget is funded from five main income sources which are Council Tax, Business Rates, government grants, fees and charges and, where needed, the use of reserves.
- 4.4 In recent years as central government funding has reduced, business rates retention and the ability to grow and maintain the amount of resources raised locally has become even more important for financial sustainability and is integral to the Council's financial planning.
- 4.5 The medium-term financial plan remains challenged by uncertainty. The outcome of the Spending Review which looks at the quantum of funding

available to the Local Government Sector and the Fair Funding Review which looks at how funding is distributed across the Local Government Sector brings potentially significant changes to how local government funding is distributed. This along with a review of the Business Rates regime including a likely new methodology for the Business Rates Retention Scheme and also a business rates reset (the point from which growth is measured), together with future funding for Adult Social Care makes for significant uncertainty over the medium-term.

Housing Revenue Account (HRA)

- 4.6 The HRA is a separate ring-fenced account within the Council for the income and expenditure associated with its housing stock. The HRA does not directly impact on the Council's wider General Fund budget or on the level of council tax. Income to the HRA is primarily received through rents and other charges paid by tenants and leaseholders.
- 4.7 Within North Northamptonshire there are currently two Neighbourhood Accounts, covering the former sovereign Councils of Kettering and Corby respectively. Whilst North Northamptonshire Council must only operate one HRA it will, for a limited period, operate two separate Neighbourhood Accounts for Corby and Kettering, and the 2022/23 budget is based on two Neighbourhood Accounts.
- 4.8 A key element of the HRA budget will be to determine and set rent levels for 2022/23. The basis for calculating Housing Rent levels are determined by the Housing Rent Regulator and for the five year period (2020/21 to 2025/26) these are based on the CPI in September each year plus 1%. A deviation from Government's Policy on Rents for Social Housing would require the Council to apply to the Secretary of State for agreement that it would be inappropriate to apply this policy.

Capital Programme

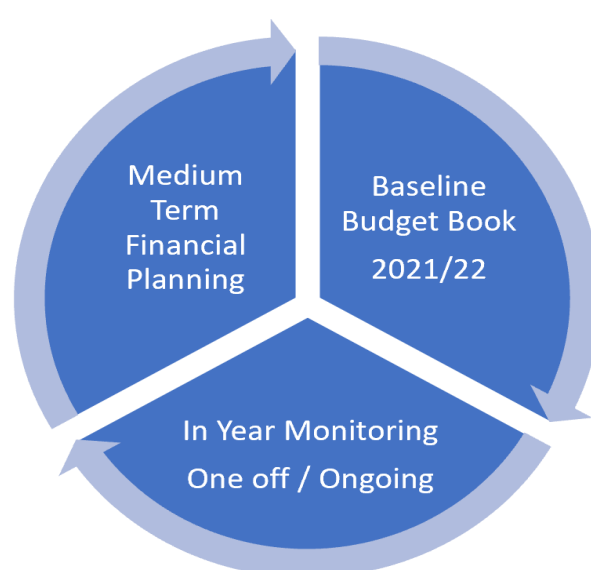
- 4.9 The Council will be required to approve a Capital Programme for the period 2022-27 for both the HRA and the General Fund and a Baseline Development Pool based on the Capital Strategy. The delivery of a Medium-Term Capital Programme which is affordable and sustainable, ensuring that the Council's internal resources and application of external borrowing are utilised to fund capital expenditure where it supports the delivery of the Council's financial sustainability and where there are statutory requirements such as health & safety.
- 4.10 The Capital Strategy should make explicit the links to, and integration with, the Council's other strategies -with new capital investment only being permitted if it contributes to the achievement of the Council's corporate priorities.

5. Budget Strategy 2022/23

- 5.1 The Budget Strategy provides the basis for the delivery of the 2022/23 Budget and for setting a robust Medium Term Financial Plan. With the uncertainty over

future funding Local Government, the Council will set a firm one-year budget with indicative position for future years.

- 5.2 The robustness of both the budget pressures and savings are of equal importance when setting a balanced budget – the pressures need to reflect those that the authority is facing and the savings need to be deliverable.
- 5.3 The high-level strategy for setting the 2022/23 Budget is the same as that used to set the 2021/22 budget – this is illustrated in the following Chart. Information will be taken from the 2021/22 budget, amended for recurring issues identified through the budget monitoring process which cannot be mitigated against, together with any other known changes (savings/pressures) before coming to a balanced budget position for 2022/23. The Council has a statutory requirement to balance its budget.

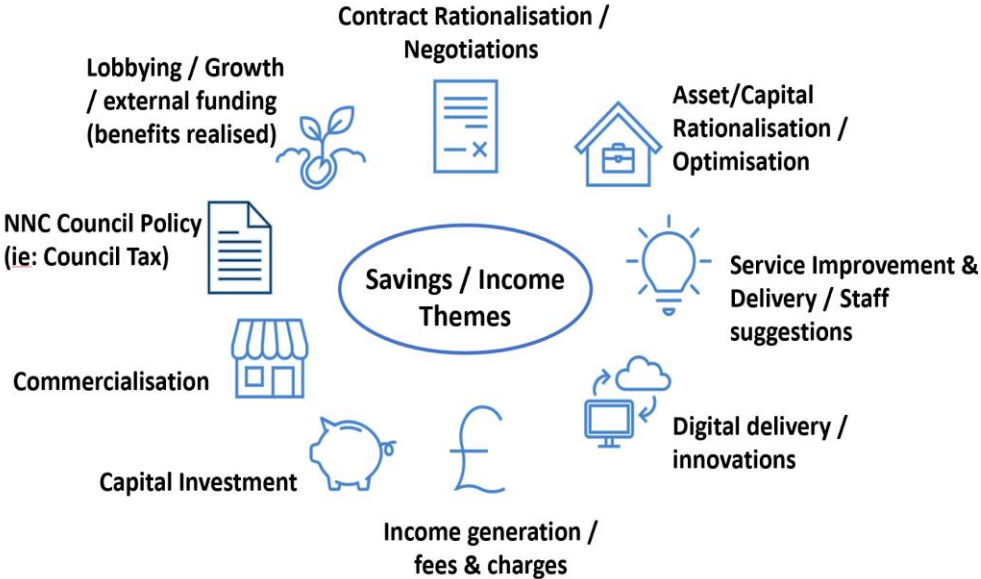


- 5.4 When the 2021/22 budget was set, there was an indicative financial gap over the following three years 2022/23 to 2024/25 as set out in the table below. This was based on the best information available at the time, including the assumption that the funding regime for Councils would change from 2022/23:

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Net Budget Requirement	608.505	602.025	613.264	628.248
Total Funding	608.505	583.570	583.484	586.081
Gap/Savings Requirement	0	18.455	29.780	42.167

- 5.5 As indicated from the table above, there is always a need to improve efficiency and review existing budgets, transformation is going to be a critical element in setting and delivering a balanced budget. This will require the Council to identify where business processes can be made more efficient and to establish opportunities to increase income. Where these are identified, and approval is given, then they will be reflected in the MTFP and, where appropriate, be included in the base budget for future years.

5.6 It is important budget managers continue to scrutinise their budgets to ensure that services are delivered as efficiently as possible. To assist and provide additional focus in delivering a balanced budget the following areas will be considered as part of the budget process.



National Context

5.7 Nationally, the context around future local government funding remains uncertain with the position being made more difficult by the impact of COVID-19.

5.8 It was expected that a consultation paper would be published on the Fair Funding Review (FFR), which will seek to rebalance the funding formula used to assess resource needs for local authorities, however, this consultation was not forthcoming and the implementation of this is now not expected to take effect until 2023/24. There is pressure from within Whitehall for these reforms together with a baseline reset in the Business Rates system, which could see growth that has been generated being significantly reduced or even removed. Whilst it is expected growth will be redistributed as part of the FFR those areas that have had above average growth, such as North Northamptonshire, could see a significant reduction in Government Funding and this in part explains the forecast budget gap for the Council as reference earlier. Whilst it is expected these reforms could take effect from 2023/24 the timelines still remain challenging owing to the complexities of the national funding schemes, the consultation requirements and the need for exemplars.

5.9 The Comprehensive Spending Review which will inform the Chancellor's Autumn Budget statement, will provide control totals for Government departments. Longer term plans for public spending and changes to Local Government funding mechanisms have been postponed for the past two financial years in light of EU Exit and the global pandemic. The Council has benefitted from the decision to delay funding reforms as it has been able to retain the business rates growth it has generated since the inception of the current system.

- 5.10 Once further information is released regarding the impacts of the issues described above, finance officers will model this into the Medium-Term Financial Plan and provide Members with an updated position.

Housing Revenue Account

- 5.11 The Housing Revenue Account (HRA) is currently operated by having two Neighbourhood Accounts, one for the area covered by the former sovereign Council of Kettering and the other being the area covered by the former sovereign Council of Corby. The Council will continue to operate two Neighbourhood Accounts in 2022/23. It was previously reported to the Shadow Authority that this would operate in this way for the first few years.
- 5.12 The HRA financial Business Plan will be informed by the housing strategy for North Northamptonshire which will consider the challenges faced by the Council across the local housing market and will set out measures to enhance housing options for local residents. This will form a key element of the overarching strategy for North Northamptonshire.

Risks in Preparation of the Budget

- 5.13 The basis of the budget strategy will ensure that the Council delivers a balanced budget for 2022/23 in February 2022; however, there are risks that may cause expenditure to increase or income to reduce. Consequently, income and expenditure levels will be kept under review throughout the budget process.
- 5.14 It is recognised that as a new Council there will be inherent risks within the process. A significant proportion of the Council's budget was prepared on the basis of disaggregation of County Council budgets, and this may change as spending patterns take shape that are specific for North Northamptonshire. There are also a number of lead and host arrangements for which budgets need to be confirmed for future years alongside disaggregation of some services that were previously operated across Councils, most notably North Northamptonshire and West Northamptonshire.
- 5.15 It will not be possible to finalise funding in the budget until government announcements on future funding levels are published, which is expected to be later in the year. The Chancellor's Autumn Budget 2021 and Spending Review is planned for 27th October and is expected to set out planned public spending over the next three years, with the detailed Finance Settlement for Local Government expected mid-late December.
- 5.16 Members are asked to consider the budget strategy and make recommendations to the Executive. The impacts of the changes in Government Funding will be reported to Members once this has been announced and officers have understood the implications on the Council.

Timetable

- 5.17 The Council is required to set a Balanced General Fund Budget and the levels of Council Tax for 2022/23 at its meeting on 23 February 2022. The Council is

also required to set a Balanced HRA Budget and rent levels for 2022/23 along with a Capital Programme for both the General Fund and HRA.

5.18 The summary timetable for the setting of the budget is as set out below:

Key Dates	Activity
27 th October 2021	Chancellor announces Autumn Budget 2021 and three-year spending review
18 th November 2021	Executive to Review the Budget Strategy Report. Update on Chancellor's Autumn Budget – key headlines and announcements - provided to Executive
16 th December 2021	Draft budget report 2022/23 presented to Executive for approval Consultation on the budget will commence following the meeting and subject to Executive approval Draft Schools Budget (Dedicated Schools Grant) to Schools Forum
Mid-late December	Local Government Finance Settlement (exact date to be confirmed)
January 2022	Budget scrutiny sessions take place to consider Directorate budget plans, in advance of February Executive HRA rent increase consultation to tenants' forums
13 th January 2022	Budget Update following the Local Government Finance Settlement
28 th January 2022	Budget consultation ends
10 th February 2022	Updated Budget reports, including feedback from Scrutiny, presented to Executive for approval and recommendation on to Council
23 rd February 2022	Setting of the Budget - Suite of Budget Reports presented to Council for approval

6. Issues and Choices – Scrutiny Arrangements

- 6.1 The Finance and Resources Scrutiny Committee has a critical role to play in scrutinising and reviewing the budget proposals, ensuring that they are subject to rigorous challenge. The Committee will provide recommendations back to the Executive on the proposals that have been put forward.
- 6.2 It is proposed that the scrutiny of the budget proposals takes place after the planned presentation of the 2022/23 budget to Executive on 16th December 2021. The Scrutiny process will complete in January, to feed into the updated budget report to Executive on 10th February 2022.
- 6.3 In order to assist in the Scrutiny process it is proposed that separate scrutiny sessions take place across the main service areas of:

- Place and Economy
- Adults, Communities and Wellbeing Services, including the HRA
- Children's and Education Services – this will include the Children's Trust (although Members may also wish for a separate session for the Trust recognising the joint arrangements with West Northamptonshire Council)
- Enabling and Support Services – Finance, Transformation and ICT, and Legal and Democratic including HR.

This will include both the revenue budget and the capital programme for each of the main service areas.

- 6.4 Each service area, as outlined above, will attend a scrutiny session to present their service and budget plans. The Finance and Resources Scrutiny Committee will be able to scrutinise each plan and may request further details on a particular area. Scrutiny Members are requested to identify any areas requiring further detailed information prior to the meeting with the Directorates taking place in order that this can be drawn together in preparation for the meeting. This will enable the Finance and Resources Scrutiny Committee to ensure that it has the required information necessary to adequately scrutinise the proposals and provide any subsequent recommendations to the Executive.
- 6.5 The Committee are asked to consider the proposals outlined above and endorse the budget scrutiny arrangements. A detailed timetable for the separate, dedicated scrutiny sessions can then be established to take place during January 2022 and in advance of the budget report to Executive in February.

7. Implications (including financial implications)

Resources and Financial

- 7.1 The resource and financial implications are set out within this report.

Legal

- 7.2 The legal implications are as set out in the report.

Risk

- 7.3 The risks for the budget are outlined above and will be set out in further detail as part of the Executive Director of Finance's Section 25 Report on the budget calculations which reports on the robustness of the estimates and adequacy of the proposed financial reserves.

Consultation

- 7.4 Once the first draft of the budget has been prepared, this will be reviewed by the Corporate Leadership Team to ensure that it is aligned to the Corporate Plan this will take place during November 2021.
- 7.5 The first public draft of the budget will be presented to the Executive at its meeting on 16th December 2021. The Finance and Resources Scrutiny

Committee will then have the opportunity during the budget process to make suggestions to the Executive prior to final budget approval by the Council.

- 7.6 This report sets out the draft terms of consultation for the 2022/23 budget proposals. As such, it is currently intended that a period of consultation on the proposals contained within the Draft Budget 2022/23 will begin on or immediately after 16th December 2021, subject to Executive approval of the draft budget proposals for 2022/23 and is planned to conclude on 28th January 2022 in preparation for the presentation of the final budget proposals to Executive and Council in February 2022.
- 7.7 If there are any changes made to any of these proposals following the consultation process, then the effect of this upon the overall budget position will be considered for the final budget paper in February 2022. This does not predetermine any decision that the Council may make in February 2022.
- 7.8 The structure and design of the consultation will set out the budget proposals and will enable both online and non-digital means of participation, in accordance with good practice. This is to ensure the widest possible reach, a variety of consultation methods will be used to maximise the range of accessible channels for consultees, these include;
- Online survey – available free at NNC libraries for those without internet access (with hard copies and copies in other formats available on request)
 - An email address and telephone number
 - Social media - including Facebook, Twitter and LinkedIn
 - Postal address
 - Emails to key stakeholders, inviting them to comment through the above consultation channels and asking them to promote the consultation to their members/community: e.g. partner organisations, MPs, Town and Parish Councils, Voluntary Sector Infrastructure Organisations.
 - Emails to Residents' Panel members and other stakeholders who have registered to receive consultation alerts, inviting them to comment through the above consultation channels
- 7.9 The purpose of the consultation is to ensure that, when the Final Budget is considered by Council on 23rd February 2022, Members are fully aware of the consultation feedback and are in a position to take it into account when making final decisions. This includes full consideration of any viable alternatives for ways to save money/generate income, if provided.
- 7.10 In addition, there will be specific consultation for any budget proposals that require targeted consultation with service users. This will include consultation with local residents regarding the HRA and proposed rent levels via the respective Tenants Forum.
- 7.11 Consideration of the draft budget proposals will be undertaken by the Finance and Resources Scrutiny Committee who will report their recommendations to the Executive meeting on 10th February 2022. The Executive must then make recommendations on the final, scrutinised, budget and HRA rent proposals to Council for approval on 23rd February 2022.

- 7.12 Scrutiny is a means for councillors not on the Executive to influence the development of Council policies and services and hold decision makers to account. Budget Scrutiny involves councillors reviewing significant proposals from across the draft budget and reporting their conclusions about the deliverability and service impact of these proposals to the Executive. In this way Budget Scrutiny contributes to the development of the final budget proposals and supports local democracy.

Equality Impact Assessment (EIA)

- 7.13 In considering the budget for 2022/23 the Council must consider its ongoing duties under the Equality Act 2010 to have due regard to the need to eliminate discrimination and advance equality of opportunity between all irrespective of whether they fall into a protected category. Having due regard to these duties does not mean that the Council has an absolute obligation to eliminate discrimination but that it must consider how its decisions will contribute towards meeting the duties in light of all other relevant circumstances such as economic and practical considerations.
- 7.14 As part of the budget consultation process options put forward may require an Equality Impact Assessment (EIA) to be undertaken.

Climate Impact

- 7.15 None specific to this report, however, the Council has made a commitment to tackling the climate impact and spending decisions will take this into account.

Community Impact

- 7.16 No distinct community impacts have been identified as a result of the proposals included in this report.

8. Background Papers

- 8.1 Suite of budget reports 2021/22 to Council, 25th February 2021.

Finance & Resources Scrutiny Committee 2nd November 2021

Report Title	Revenue and Benefits Performance Report (1st April to 30th September 2021) – six month report
Report Author	Lucy Hogston, Assistant Director for Revenue and Benefits lucy.hogston@northnorthants.gov.uk

List of Appendices

None

1. Purpose of Report

- 1.1. To provide Members with an update on the performance of the Revenue and Benefits Team.

2. Executive Summary

- 2.1 This report provides an update on the performance of the Revenue and Benefits Team for the first six months of the financial year and covering the period 1st April 2021 to 30th September 2021.

3. Recommendations

- 3.1 It is recommended that the Finance Scrutiny Committee:
- a) Note and comment on the Revenue and Benefits performance data for the first six months of 2021/22.

Reason for Recommendations – to enable Scrutiny to review the performance of the Revenues and Benefits Service.

4. Report Background

- 4.1 The Revenue and Benefits Team are responsible for the billing and collection of Council Tax & Business Rates and the calculation and payment of Housing Benefit, Local Council Tax Support and Discretionary Housing Payments.

- 4.2 In addition, since the onset of the pandemic the team has also administered a number of business grant schemes on behalf of the Department for Business, Energy & Industrial Strategy and also Test & Trace Support Payments of behalf of the Department for Health & Social Care.

5. Performance

Performance in the collection of Council Tax

- 5.1 Council Tax is a property tax which is levied on the broad capital value of domestic properties. The Valuation Office split all domestic properties into eight bands from A to H, with an amount charged linked to each band. Calculation of the amount payable follows a weighted calculation set by central government. Properties in Band A pay two thirds of the tax levied on Band D properties; those in Band H pay twice the tax levied on Band D.
- 5.2 The number of properties within North Northamptonshire has been increasing year on year, at the beginning of April 2021 there were 154,160 properties and this has risen to 154,802 by the end of September 2021.
- 5.3 Seventy six percent of the properties are in bands A - C (inclusive), less than 2% (3,175 properties) are in the top two bands of G and H.
- 5.4 The net debit raised (amount to be collected) after discounts, exemptions and Local Council Tax Support is currently £217.5m.
- 5.5 The amount of Council Tax collected in the period 1 April 2021 – 30 September 2021 is £123.5m, which equates to 56.79% of the net debit raised. This is 0.79% above the 2021/22 target and 0.38% above the collection rate at the same point in time during 2020/21.

Performance in the collection of Business Rates

- 5.6 Business Rates are collected from 11,795 business properties in North Northamptonshire, with a Rateable Value (RV) of c£337m (as at the end of September 2021).
- 5.7 For billing purposes, a business rates hereditament can be as small as an Automated Teller Machine (ATM) or a parking or advertising space up to the size of an airport or sports stadium. Each hereditament has a separate bill. Depending upon how it is occupied and split, one building may have several hereditaments. The Valuation Office Agency (VOA) works out the rateable value (RV) for a property, the Government set national rules and reliefs and the Council calculates and collects the amount due by applying a multiplier that is set by central government and other calculations where appropriate.
- 5.8 The amount of Business Rates collected in the period 1st April 2021 – 30th September 2021 is £65.9m, which equates to 48,72% of the net debit raised. This is 6.28% below the 2021/22 target and 1.89% below the collection rate at the same point in time during 2020/21.

5.9 Changes to Expanded Retail Relief (ERR) during 2021/22 as a result of the changes implemented following COVID-19 have had an impact on Business Rates collection. This is because 100% ERR was awarded to business for the period 1st April 2021 to 1st July 2021, after this period, in line with government guidance ERR was cancelled and business had to re-apply for ERR for the period 1st July 2021 to 31st March 2022 based on 66% of their liability (not 100% as before). The cancellation of ERR in July meant that the net debit to be collected increased by £23m. There has been a slow response with regards to businesses applying for ERR, at present 35% of businesses have applied. Businesses have until the 30th April 2022 to apply or refuse the relief; initial feedback is that businesses are waiting until nearer the closing date to see if they will exceed the subsidy allowance limits (previously State Aid).

5.10 The Council is reimbursed for all mandatory reliefs granted.

Recovery Activity

5.11 The Council's recovery strategy is based on engagement with residents; the aim being to ensure payment of accruing liability with an affordable payment arrangement towards any arrears. This ensures debt management and a sustainable approach to debt recovery.

5.12 Recovery for non-payment of Council Tax and Business Rates started again in May 2021, this was following a pause due to the COVID-19 pandemic and the courts having limited availability for liability order hearings. During this period official reminders were replaced with letters detailing the help and support that was available for customers who were having difficulties in paying.

5.13 Since May 2021, 74,703 reminders/final notices for non-payment of Council Tax and 4,938 for non-payment of Business Rates have been issued. It is worth noting that some of our customers will receive more than one reminder and final notice depending on the number of times they fall behind with their payments.

5.14 Following on from the reminders/final notices, 13,974 summonses have been issued and liability orders granted by the magistrate's court.

5.15 The frequency of court hearings will increase from January 2022 to monthly rather than bi-monthly. Members of our Social Inclusion Team will be present at the courts to engage with our customers and provide them with money and debt advice.

5.17 A national Debt Respite Scheme (Breathing Space) has been brought in to give someone in problem debt the right to legal protections from their creditors for a short period of time to enable them to reflect and put in place plans on how they could manage the debt and repayments due. There are two types of breathing spaces, which both came into force from the 4th May 2021

5.18 Standard Breathing Space

- Breathing Space will pause enforcement action; freeze interest, fees, and charges, and pause creditor contact.
- Lasts up to a 60-days and can apply once a year.
- It's accessed via professional debt advice.

5.19 Mental Health Breathing Space

- Breathing Space includes a Mental Health Crisis Moratorium for those receiving mental health crisis treatment.
- The protections last for the duration of their crisis treatment, followed by a further 30 days.
- The Money and Mental Health Policy Institute estimate that the median duration of treatment is 34 days.

5.20 The Council has received 5 applications for Breathing Space that have been supported by professional debt advice services therefore the Council has paused enforcement action in line with the scheme requirements.

Performance in Benefits Administration

5.21 Currently, the Council is paying out benefit to approximately 18,000 households in North Northamptonshire, this includes Housing Benefit and Council Tax Support claims.

5.22 The caseload is made up of 58% working age and 42% pensionable age claimants.

5.23 The caseload has reduced slightly (approximately 60 claimants) since April 2021. Compared to the same point in time last year there has been a reduction of approximately 400 claimants. The caseload may increase again due to furlough scheme ending on the 30 September 2021, if this does happen, it will be reflected in the caseload figures from mid-November onwards. This is because Universal Credit claims take five weeks to process by the Department for Work and Pensions.

5.24 The performance target for processing new claims and changes of circumstances counts the overall number of days taken to process a claim, including any time associated with claim follow up or requests for further evidence.

5.25 The performance target for processing new claims is 21 days and changes in circumstances is 9 days; the Service is currently achieving 19 days and 7 days.

Discretionary Housing Payments

5.26 The Discretionary Housing Payment scheme provides funding to deal with hardship in situations where normal Housing Benefit or the Housing Element of Universal Credit does not cover all the rent a person is charged. To qualify for some consideration for assistance under this scheme the resident must already qualify for some Housing Benefit or the Housing Element of Universal Credit.

5.27 From April 2013 the government provided extra funding to ease the introduction of the household benefit cap but also to meet continuing and unavoidable needs resulting from the application of size criteria in the social rented sector rather than catering for these in the Housing Benefit scheme itself.

- 5.28 The government provides councils with a grant amount up to an agreed threshold and any money not spent in the year to which it relates is returned to government as unspent. The Council is able to fund above this amount up to a further threshold, but this would be funded from the Council's budget.
- 5.29 The grant allocated to North Northamptonshire Council for 2021/22 is £546,473. As at 30th September 2021, 906 applications have been received, 555 awards made and 351 applications refused, totalling a spend of £238,327. Projections show that the full grant allocation will be spent by the end of the financial year.

Test & Trace Support Payments

- 5.30 The Test & Trace Support Payment Scheme is administered by North Northamptonshire Council on behalf of the Department of Health & Social Care.
- 5.31 From 28th September 2020, individuals are entitled to a Test and Trace Support Payment or discretionary support payment of £500. This is to support people on low incomes who are unable to work from home if they are told to self-isolate by NHS Test and Trace and will lose income as a result.
- 5.32 These payments are designed to help ensure people who have tested positive for COVID-19 and their close contacts self-isolate for the required period to stop the onward spread of the virus. They are also designed to encourage individuals who are eligible for this payment to get tested if they have symptoms. This is important to help stop the transmission of COVID-19 and avoid further economic and societal restrictions.
- 5.33 The scheme has recently been extended until the 31 March 2022.
- 5.34 For the period 28th September 2020 to 30th September 2021, 1,165 main scheme and 568 discretionary scheme payments have been made totalling £0.867m.
- 5.35 There are 499 applications currently waiting to be processed, these have all been reviewed and are waiting on the customer to provide further information to complete their application.

Council Tax Discretionary Discount Section 13A applications

- 5.36 Section 13A of the Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012), provides North Northamptonshire Council (NNC) with discretionary powers to reduce Council Tax liability.
- 5.37 The provision allows the Council the discretion to aid Council Taxpayers where either the existing legislation does not provide a discount, exemption or reduction or in circumstances where the Council has decided that the level of discount, exemption or reduction is insufficient.
- 5.38 Section 13A awards will be used to help mitigate any unforeseen or exceptional hardship circumstances that threaten taxpayers' ability to pay their council tax or to remain in their homes.

- 5.39 As there is a financial implication when awarding discounts under Section 13A because the Council has to fund all awards from its own funds without any Government support, any such awards must meet certain criteria to ensure they offer value for money to North Northamptonshire's taxpayers.
- 5.40 For the period 1st April 2021 to 30th September 2021, 89 applications have been received. Of these 40 have been processed, resulting in one award and 39 refusals. There are 49 applications awaiting assessment, this is where further information has been requested from the customer to complete their application.
- 5.41 The majority of those refused all have excess income so it is considered that they are able to afford to make the payments, no one has appealed the refusals and the service can clearly show individuals the methodology used.
- 5.42 In nearly all of the cases the service has had a telephone conversation with the customers and has been able to help in other areas such as Discretionary Housing Payment applications, Personal Independence Payment applications and utilities advice etc.
- 5.43 It is reassuring to see the overall advice and support is being taken up and can make a difference in respect of individuals being able to access benefits, this is an area that the service is seeking to strengthen further.

Business Grants

- 5.44 A number of business grant schemes have been introduced by the Department of Business, Energy and Industrial Strategy since to Covid-19 pandemic started, these grants have been administered by the Council's Business Rates Team, with the exception of the Additional Restrictions Grant (discretionary) which is being administered by the Economic & Development Team within the Place & Economy Directorate.
- 5.45 All of the grant schemes administered by the Business Rates Team have now closed however, there is still ongoing work with regards to the reconciliation, reporting and audit of these grants.
- 5.46 The table below details the different grant schemes, the number and value of grants paid.

Grant	No. of Payments Made	Value of Payments Made
Local Restrictions Support Grant (LRSG) - National Lockdown 2 (November 2020)	1,782	£2,767,261
LRSG - Tiers 2/3/4 mandatory (December 2020)	2,179	£747,363
LRSG - Tiers 2/3/4 Restrictions open (December 2020)	461	£443,313
LRSG - National Lockdown 3 lockdown payment (January 2021)	1,931	£8,790,000
LRSG - Jan/Feb/March 2021	3,712	£8,872,956
Christmas Support Payment for Wet-Led Pubs	135	£135,000
Restart Grants (April – June 2021)	1,423	£10,692,098

Total	11,623	£32,447,991
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6. Implications (including financial implications)

6.1 Resources and Financial

6.1.1 This report is for information only therefore there are no resource or financial implications as no proposals are being made.

6.2 Legal

6.2.1 This report is for information only therefore there are no legal implications as no proposals are being made.

6.3 Risk

6.3.1 This report is for information only therefore there are no significant risks as no proposals are being made.

6.4 Consultation

6.4.1 This report is for information only therefore no consultation has taken place as no proposals are being made.

6.5 Consideration by Scrutiny

6.5.1 Performance of the services is within the remit of the Finance & Scrutiny Committee.

6.6 Climate Impact

6.6.1 This report is for information only.

6.7 Community Impact

6.7.1 This report is for information only.

7. Background Papers

7.1 None.

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Finance & Resources Scrutiny Committee 2nd November 2021

Report Title	Revenue Budget Monitoring Period 5
Report Author	Janice Gotts Executive Director of Finance Janice.gotts@northnorthants.gov.uk

List of Appendices

Appendix 1 – Budget Forecast 2021/22 as at Period 5 – Executive 30th September 2021

1. Purpose of Report

- 1.1. To inform Members of the forecast outturn position for 2021/22 as at Period 5 (month ending August) 2021.

2. Executive Summary

- 2.1 Attached at Appendix 1 is the Period 5 monitoring report presented to Executive at its meeting on 30th September 2021. The monitoring report sets out the material financial issues identified since the 2021/22 budget was set in February 2021, based on the income and expenditure as at end of August 2021 and the views of the budget managers on the anticipated outturn for the year.
- 2.2 The Period 5 forecast position for the General Fund is showing an overspend of £73k which is an adverse movement of £339k since last month where an underspend of £266k was forecast

3. Recommendations

- 3.1 It is recommended that the Finance Scrutiny Committee:
- a) Note and comment on the Budget Monitoring Report as at Period 5 presented to Executive at its meeting in September and attached as Appendix 1.

Reason for Recommendations – to enable Scrutiny to review the financial position of the Council.

4. Report Background

- 4.1 Each month the budget position is reviewed to ascertain the likely forecast outturn based on the activity to date and the forecast to the end of the financial year. The report sets out the material financial changes since the 2021/22 budget was set in February 2021, based on the income and expenditure as at end of August 2021 (Period 5).
- 4.2 The Period 5 forecast position for the General Fund is showing an overspend of £73k which is an adverse movement of £339k since last month where an underspend of £266k was forecast. The detail of the movements is set out in the report to Executive attached as Appendix 1
- 4.3 The Period 5 forecast for the Housing Revenue Account is unchanged to that reported in Period 4 and continues to show a minor overspend of £74k.
- 4.4 However, as noted within the report, at this stage in the financial year coupled with being a new Unitary Council, there are a number of areas which may present a risk to the position and continue to be actively reviewed, with mitigations sought as necessary. The Council also maintains an in-year contingency budget and has reserves which can be called upon if necessary.

5. Issues and Choices

- 5.1 The main variations from the approved budget are set out in the monitoring report attached. In summary, the variance to date is set out in the paragraphs below:

Adults, Communities & Wellbeing Services - £250k Underspend

- 5.2 The main variations are underspends in Adults, Communities and Wellbeing Services of £250k of which there is a forecast underspend of £0.5m across ASC services and a pressure of £250k in housing and community services, the latter related to housing (£100k) and the net impact on leisure services (£150k) which have lost income due to the restrictions on visitor number.

Place and Economy - £599k Underspend

- 5.3 An underspend in Place and Economy Services of £599k mainly due to underspending on concessionary fares (£236k) and the disaggregation of concessionary fares (£600k), waste and recycling activity (£316k) and Commercial income being £200k better than budget. This is offset in part by pressures on car parking (£443k) as a result of changes brought in during COVID-19, a reduction in planning income and building control income (£236k) together with a number of smaller pressures including bus services (£30k) additional temporary toilet provision (£28k) and markets (£16k).

Enabling and Support Services - £0.922m Overspend

- 5.4 There is an overspend of £0.922m in Enabling Services, which are predominantly due to changes in income assumptions related to Treasury Management (£463k) and the Revenues and Benefits Service (£94k net) and

an ICT pressure of £75k. There is also unachievable budgeted savings of £300k relating to unidentified efficiency savings from the former LGSS Business Systems Projects and Change Management Programme Team. There are also minor movements which result in a net underspend to offset of £10k.

Children's and Education Services – Balanced Position

- 5.5 Children's and Education Services is anticipating a balanced position. Whilst there are some pressure areas within the Children's Trust these are reported to be mitigated in-year.

Savings

- 5.6 The Council has a savings requirement of £19.161m (including income proposals) within its 2021/22 budget. The deliverability of these proposals is being monitored by each accountable service lead, budget manager and senior officer up to Service Director level. These are summarised in the report attached (with details in Appendix A to the report). It is recognised that the continuing numbers of COVID-19 cases may put some savings at risk particularly with regard to Adult Social Care. Where there is concern regarding the achievement of savings mitigations are being sought.
- 5.7 In the main, a significant proportion of the Council's budgets are based on the disaggregation principles and amounts that were agreed as part of the budget setting process to distribute the County Council's budget requirement between North Northamptonshire and West Northamptonshire. These budgets, alongside those aggregated from the sovereign District and Borough Councils, will ultimately need to be rebased in line with the activity data and assessment of needs specific for the Unitary including the achievement of the Council's priorities.
- 5.8 In summary a significant amount of work has been undertaken to establish the budgets and undertake the monitoring and reporting processes, however, risks still remain as set out in the report attached at Appendix 1.

6. Implications (including financial implications)

6.1 Resources and Financial

- 6.1.1 The report attached at Appendix 1 sets out the in-year monitoring position for the budget.

6.2 Legal

- 6.2.1 None specific to this report

6.3 Risk

- 6.3.1 Risks are set out within the attached report.

6.4 Consultation

6.4.1 This report is for information.

6.5 Consideration by Scrutiny

6.5.1 The report is for consideration by the Finance and Resources Committee.

6.6 Climate Impact

6.6.1 As set out in the attached report.

6.7 Community Impact

6.7.1 As set out in the attached report.

7. Background Papers

7.1 North Northamptonshire Final Budget 2021/22 and Medium-Term Financial Plans presented to the Shadow Authority at its meeting on 25th February 2021.

<https://northnorthants.moderngov.co.uk/CeListDocuments.aspx?Committeed=138&MeetingId=109&DF=25/02/2021&Ver=2>

EXECUTIVE
30th September 2021

Report Title	Budget Forecast 2021/22 as at Period 5
Report Authors	Janice Gotts Executive Director of Finance Janice.gotts@northnorthants.gov.uk
Lead Member(s)	Councillor Lloyd Bunday, Executive Member for Finance and Transformation

Key Decision	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there public sector equality duty implications?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information (whether in appendices or not)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Applicable paragraph number for exemption from publication under Schedule 12A Local Government Act 1974	

List of Appendices

Appendix A – Savings Schedule

1. Purpose of Report

- 1.1. The revenue budgets (2021/22) and Medium-Term Financial Plans for North Northamptonshire Council for the General Fund and the Housing Revenue Account were approved by the Shadow Authority at its meeting on 25 February 2021. The purpose of this report is to set out the forecast outturn position for the Council based on the Period 5 monitoring forecasts for the General Fund and the Housing Revenue Account.
- 1.2. The monitoring report sets out the material financial issues identified since the 2021/22 budget was set in February 2021, based on the income and expenditure as at end of August 2021 (Period 5) and the views of the budget managers.
- 1.3. The report recognises that the forecast outturn position is based on comparatively early indications of spend in the new Council. As previously reported, work is continuing to examine the spend and activity data, including

the staffing details and forecasts, against the available budgets to ensure that the position presented is robust. This will also help to shape the medium-term financial plan.

- 1.4. Some areas remain unchanged from Period 4 and the detail of those variations is included within the report for completeness.

2. Executive Summary

- 2.1 The report provides commentary on the Council's current forecast financial outturn position for 2021/22 for both the General Fund and the Housing Revenue Account. With the move to a new Unitary Council from 1st April this year and the continuing issues presented by COVID-19, financial forecasting remains challenging. The Council will continue to assess and refine the forecasts on a regular basis. The forecast presented in the report is based on the best available data and information of the operations of the Council and the expected impact of the pandemic. However, it must be recognised that determining the outturn under the current circumstances presents an element of risk which will continue to be closely monitored during the financial year.
- 2.2 As a new Unitary Council there are a number of areas which will impact on the forecast outturn that are still to be finalised. Most notably from a finance perspective these include the charging arrangements for the lead/host arrangements between West Northamptonshire Council and North Northamptonshire Council following Local Government Reorganisation; the forecasts for these areas are not yet available from the hosting authority. Therefore, these services remain forecast at budget at this stage with work continuing between the two authorities to confirm the charges.
- 2.3 The balances on the reserves will not be complete until the accounts of the predecessor Councils are signed off. The draft outturn position for both Kettering Borough Council and the Borough Council of Wellingborough were reported to this Committee on 26th August 2021 this included a forecast reserves position for these two former authorities at 31st March 2021. Draft figures have also now been made available for the former County Council and it is intended that these will be reported at the next Executive meeting.
- 2.4 The audit report 2020/21 for Kettering Borough Council is being presented to the Audit and Governance Committee on 27th September and currently remains in draft form pending the conclusion of outstanding items. The accounts for the Borough Council of Wellingborough remain in draft format as the external audit is still on-going. The outcome of this audit is scheduled to be reported to the Audit and Governance Committee at the meeting on 8th November 2021.
- 2.5 Future reports will be provided to the Executive regarding the outturn of Corby Borough Council, East Northamptonshire Council and the County Council for 2020/21. For each of these Councils the audit of 2019/20 and 2020/21 requires completion.

3. Revenue Budget

- 3.1 The Council's Revenue Budget was set at the meeting of the Shadow Authority in February. It has been updated to reflect the announcement on 16 March 2021 of the Public Health Grant allocations of which North Northamptonshire will receive £17.6m in 2021/22. The grant is ring fenced to fund Public Health related services and will not impact on the overall net budget for the Council. The table below sets out the latest budgets by each main service area following the confirmation of the grant:

	Children's & Education	Adults, Communities and Wellbeing Services	Place and Economy	Enabling & Support Services	Corporate	Total
	£m	£m	£m	£m	£m	£m
Expenditure	397.4	178.0	92.4	111.8	25.3	804.9
Income	(337.0)	(57.2)	(36.6)	(80.3)	(1.3)	(512.4)
TOTAL	60.4	120.8	55.8	31.5	24.0	292.5

- 3.2 The Council's overall outturn forecast for the General Fund for 2021/22, as at Period 5 is a forecast overspend of £73k against the approved budget of £292.5m. This is summarised in the table below:

General Fund Forecast Outturn 2021/22			
	Net Budget	Forecast Position at 31/03/22	P5 Forecast Variance at 31/03/22
	£'000	£'000	£'000
Net Total Available Resources	292,505	292,505	0
Total Corporate Budgets	23,950	23,950	0
Children's & Education	60,351	60,351	0
Adults Communities & Wellbeing Services	120,854	120,604	(250)
Place & Economy	55,783	55,184	(599)
Enabling & Support Services	31,567	32,489	922
Total Directorate Budgets	268,555	268,628	73
Total Budget	292,505	292,578	73
Net Position 2021/22	0	73	73

- 3.3 The forecast overspend as at Period 5 of £73k is an adverse movement of £339k since Period 4 where an underspend of £266k was reported. The following table summarises the movement of £339k.

General Fund Forecast Movement (Period 4 v Period 5)		
	Report Reference	Movement in Forecast £'000
Place –Car Parking Income / Maintenance	6.38 – 6.40	22
Place – Refuse & Recycling Collection	6.46	9
Place – Trade Waste Income	6.46	18
Place – Reductions in Waste Tonnages	6.47	(64)
Place – Commercial Income	6.48	(200)
Place – Planning & Building Control Income	6.49	236
Place – Temporary Toilets	6.50	28
Enabling Services - Municipal Mutual Insurance	6.56	31
Enabling Services - Public Sector Audit Appointments Ltd (PSAA)	6.57	(41)
Enabling Services – IT Income	6.61	300
Total		339

- 3.4 The Council's overall outturn forecast for the Housing Revenue Account – which comprises of two Neighbourhood Accounts for 2021/22, as at Period 5, is a forecast pressure of £74k against the approved budget of £35.2m. This will be managed through seeking mitigation in year or use of the HRA reserve - this is unchanged from Period 4. This is summarised in the table below and further details are set out in Section 7. It is important to note this is an early estimate and subject to continual review.

Housing Revenue Account Forecast Outturn 2021/22				
Directorate	Expenditure	Income	Net	P3 Forecast Variance at 31/03/22
	£'000	£'000	£'000	£'000
Corby Neighbourhood Account	19,647	(19,647)	0	42
Kettering Neighbourhood Account	15,503	(15,503)	0	32
Net Position 2021/22	35,150	(35,150)	0	74

4. Recommendations

- 4.1 It is recommended that the Executive:
- a) Note the Council's forecast outturn position for 2021/22 and the associated risks and other considerations.
 - b) Note the assessment of the current deliverability of the 2021/22 saving proposals in **Appendix A**.

- 4.2 Reason for Recommendations – to note the forecast financial position for 2021/22 as at Period 5 and consider the impact on this year and future years budgets.

5. Report Background

- 5.1 The Council's General Fund net revenue budget for 2021/22 is £292.505m and was approved by the Shadow Authority at its meeting on 25th February 2021. This included £19.161m of savings. This report sets out the in-year variations to budgeted assumptions.
- 5.2 The Council's Housing Revenue Account budget for 2021/22 is £35.150m and was approved by the Shadow Authority at its meeting on 25th February 2021. This report includes an early analysis of the in-year variations to budgeted assumptions.

Housing Revenue Account

- 5.3 The Housing Revenue Account (HRA) is a separate ring-fenced account within the Council for the income and expenditure associated with its housing stock. The HRA does not directly impact on the Council's wider General Fund budget or on the level of council tax. Income to the HRA is primarily received through the rents and other charges paid by tenants and leaseholders.
- 5.4 Within North Northamptonshire prior to 1st April 2021 there were two HRA accounts, covering the sovereign Councils of Kettering and Corby respectively. As part of the move to a single unitary council for North Northamptonshire, there was a statutory requirement to create a single HRA for the area. Whilst North Northamptonshire Council must only operate one HRA it will, for a period of time, operate two separate Neighbourhood Accounts, these being:
- the Corby Neighbourhood Account - responsible for the stock that was managed by Corby Borough Council and
 - the Kettering Neighbourhood Account - responsible for the stock that was managed by Kettering Borough Council.

6. Overview of Forecast Position 2021/22

Available Resources and Corporate Costs

- 6.1 The Council is responsible for the collection of local taxes (Council Tax and Business Rates). At the end of August 2021, 47.50% of Council Tax had been collected. However, it is too early to predict what the final Council Tax collection will be by the end of the year. The Council has re-introduced debt collection procedures for Council Tax following their suspension during 2020/21.
- 6.2 Business Rates collection is 39.03% at the end of August 2021. The sum of Business Rates collected is particularly impacted by the volatility of appeals and the effect of COVID-19. Currently, a number of businesses are in receipt of business rates relief and other financial support because of COVID-19. The

ITEM 6 - APPENDIX 1

Government for the first three months of the 2021/22 financial year (April to June) extended the 100% relief available throughout 2020/21 so that there is 100% business rate relief for properties in the retail, hospitality and leisure sectors. From July 2021, those properties will get 66% relief until March 2022. The impact of extended retail relief and the change from 100% relief to 66% during the year, aligned with the need to reapply for relief, has lowered the collection rate at this point in time, however, it is expected that this will level out over the year.

- 6.3 It is unknown how businesses will be affected in the longer term following the reduction / cessation of financial support. Further to this discretionary rate relief applications have been issued and the impact of the subsequent awards is likely to be positive on the collection rate.
- 6.4 The total net budget for Corporate Resources is £23.950m which consists of the contingency budget and budgets for treasury related costs.
- 6.5 The original contingency budget was £5.724m this was held to meet unforeseen or unplanned/unbudgeted costs. The balance on the contingency budget is currently £4.584m.

Directorate Budgets

- 6.6 This section of the report provides an analysis of the forecast variations against the 2021/22 General Fund for each of the Directorates. The table below summarises the position.

General Fund Forecast Outturn 2021/22 by Directorate			
Directorate	Net Budget	Forecast Spend at 31/03/22	P5 Forecast Variance at 31/03/22
	£'000	£'000	£'000
Children's & Education	60,351	60,351	0
Adults Communities & Wellbeing Services	120,854	120,604	(250)
Place & Economy	55,783	55,184	(599)
Enabling & Support Services	31,567	32,489	922
Total Directorate Budgets	268,555	268,628	73
Corporate Costs	23,950	23,950	0
Net Budget Requirement	292,505	292,578	73
Less Funding	(292,505)	(292,505)	0
Net Position 2021/22	0	73	73

Children's and Education Services – Balanced

- 6.7 The net revenue budget for Children's Services is £60.351m which includes the Northamptonshire Children's Trust and Education Services not funded by the Dedicated Schools Grant.

- 6.8 The budgeted figure for the Children's Trust is £137.18m for 2021/22. This is split £60.57m (44%) to North Northamptonshire Council and £76.61m (56%) to West Northamptonshire Council. The original contract for the services of the Trust will run for 17 months to 31 March 2022. It is currently forecast that the outturn position for the Trust will be within the contract sum, which has been confirmed with the Trust.
- 6.9 The Children's and Education Services remaining in the Council include the Intelligent Client Function for the Northamptonshire Children's Trust and the Local Authority statutory education functions as listed below:
- Education Inclusion
 - Education Psychology
 - Support for children with Special Educational Needs and Disabilities (SEND)
 - School Improvement
 - Virtual Schools (lead in the North Northamptonshire Unitary Authority)
 - School admissions and school place planning
 - Early Education and Child Care
 - Northamptonshire Children's Trust Intelligent Client Function (ICF)
- 6.10 The full year effect of prior year savings decisions is £1.7m and includes improving the edge of care support and intervention (£400k), working to minimise the amount of time a child is in care (£300k), step down from high end residential placements to fostering placements (£200k), reduced requirement for inflation (£300k), reducing agency staff (£100k) and capacity building within foster care (£400k). These services and savings are currently being delivered through Northamptonshire Children's Trust. However, this report was written before the Trust had produced its first formal budget monitoring report for 2021/22.
- 6.11 At this early stage the forecast outturn is for a balanced budget across Children's and Education Services which includes the full delivery of the savings targets. The situation will be kept under review and the Finance Director for the Trust is meeting regularly with senior finance officers of both North and West Northamptonshire to provide a detailed update on the budget position.

Adults, Communities and Wellbeing Directorate - Forecast underspend of £0.250m

- 6.12 The net revenue budget covers Adult Social Services, Community Services and Public Health and Wellbeing and totals £120.854m in 2021/22. Significant work continues to be undertaken to understand the likely ongoing commitment to packages of care within the Unitary following disaggregation and the impact of the pandemic. The details of the forecast are set out in the paragraphs which follow and are in line with those previously reported.

Adult Social Care, Safeguarding & Wellbeing and Commissioning & Performance Services – Forecast Underspend £0.5m

- 6.13 Under the 2014 Care Act, local authority Adults Services have a responsibility to make sure that people over 18 who live in their areas are provided with personal day to day care (helping people get dressed, washed, going to the

toilet, eating etc.) where they cannot do things for themselves or access family support. The service also provides other physical or psychological support to people with disabilities in order to help them live a full life. The overriding responsibility is to keep people safe and protect them from harm or neglect.

- 6.14 Care can take in many forms and can be provided directly by the Council, through contracted organisations or families can receive a personal budget to buy suitable care for themselves. Although receiving formal or long-term care is subject to people meeting the Council's eligibility criteria, the service also has a key responsibility for helping people to stay independent and preventing or delaying the need for care.
- 6.15 The service has indicated that an uplift award ranging between 2.2% and 2.65% to care providers for providing care packages on framework rates during 2021/22 will be made, this is expected to cost approximately £1.2m which has been met through additional investment in Adult Social Care as part of the 2021/22 budget setting process.
- 6.16 At this point in the year, whilst there is some capacity for further net growth in care costs there remains a risk to the financial position from the volatility of demand predominantly due to underlying care conditions and the ongoing pressures on the care sector from the pandemic.
- 6.17 Within Adult Social Care there is £1.3m for demographic growth of which £0.3m relates to Mental Health Services; these are driven by the forecast number of additional clients requesting care. The past four years' growth in adult social care costs in Northamptonshire have tended to be driven by two factors, general market inflation (predominately wage related) and acute care needs for existing clients, rather than increased clients due to demographic changes. However, it is too early to confirm whether this trend will continue in Northamptonshire.
- 6.18 COVID-19 has had a significant impact in Adult Care budgets with additional pressures forecast in 2021/22 of £4.6m of which £3.9m relates to CCG discharges in to care facilities as part of the rapid response discharge process from hospital and £0.7m relates to pressures within the Mental Health Pooled Fund. There are budgeted care related savings of £4.4m proposed to be delivered by Adult Social Care in 2021/22. Prior year savings of £2.1m are also assumed to be delivered. The 2020/21 savings were not achieved in full due to the impact of the COVID-19 pandemic, however due to a revised phasing methodology adopted as part of the 2021/22 budget proposals this has partly been mitigated down to £1.1m, it is currently forecast that these will be met in 2021/22. The position will continue to be monitored throughout the year.
- 6.19 The existing savings programme includes saving proposals being delivered over a number of financial years. These include savings proposals that formed part of the Future Northants Transformation Programme covering:
- Admissions Avoidance Service (£1.9m), which is a new service (initially funded by the business rates pilot fund) provided by Adult Social Care with health partners. The Admission Avoidance care model focuses on patients/clients presenting at acute hospitals with relevant conditions who can be rapidly assessed, diagnosed and treated without being admitted to a

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ward, if clinically safe to do so. Currently the Crises Response Team supports the back door discharges at the acute hospitals, where Admission Avoidance will focus on the significant opportunity to provide care on/at the front door to avoid hospital admissions and care costs increases client outcomes.

- Strength Based Working Project (£2.2m) which is the Transformation of Adults Services pathways and processes to ensure focus on client outcomes, independence, better decision making, and best practice approaches reduce delays and spend.
- 6.20 Additional savings for 2021/22 total £0.6m and cover Learning Disability Provider Framework efficiencies, Specialist centre for Step down Care Mental Health and Acquired brain injury, Prevention contract cessation/redesign and Sheltered Housing Contracts cessation/redesign.
- 6.21 At this early stage it is assumed that the savings will be delivered in full. This will be reviewed throughout the year as part of the budget monitoring process.
- 6.22 The current forecast is for an underspend of c£0.5m against budget and the details are set out in the paragraphs which follow. However, it should be noted that further work is being undertaken within the service to review the service users assigned from the County to each of the successor Councils (North and West) at vesting day as well as the potential care commitments that are included within the position as both may impact on the forecast.
- 6.23 Specialist and Complex - Mental Health (NCC) - forecast underspend of £2m. This is the result of clients transferring from the Mental Health Pool previously managed by the CCG and which Northamptonshire County Council gave notice to withdraw from the pool arrangements as at 31st March 2021. The disaggregation of the County Council budget was based on an initial analysis of the ordinary residence of 40% of the pool clients which suggested that the mix of pool clients included 45% to North Northamptonshire. However, analysis of the actual clients transferred is currently at c30%. Obviously this service, like most services within Adult Social Care, is subject to demand fluctuation.
- 6.24 Specialist and Complex - Older People - there is a forecast pressure of £2.1m (variance of 3% against budget) against older people services which is related to the mix (costs) of clients and the number of clients, within this financial year compared to the bought forward disaggregated budget from 2020/21.
- 6.25 Specialist and Complex - Mental Health - there is a forecast underspend of £0.5m related to underlying Adults only Mental Health clients (non-pool) due to reduced number of actual clients being provided a service by the Council compared to the disaggregation analysis. The original disaggregation assumed 59% of the Countywide clients would be North Northamptonshire clients but to date c46% have transferred to the Council.
- 6.26 Other variances across the directorate total a forecast £0.1m underspend.

Public Health – Forecast balanced position.

- 6.27 Public Health and Wellbeing is currently leading Northamptonshire’s response to the COVID-19 pandemic. The Gross expenditure budget is primarily funded by Public Health England.
- 6.28 The service is working with a number of funding streams that have been made available as a result of COVID-19 such as the Contain Outbreak Management Fund. The potential commitments against such funding streams are influenced by the incidence of COVID-19 cases which may change the priority and profile of spend against this funding.

Housing and Community Services – Forecast pressure £250k

- 6.29 Housing and Community Services includes provision of housing services and support for homeless people. It also includes libraries, cultural facilities (such as museums, theatres, art galleries and heritage sites), sports and leisure facilities (such as swimming pools, tennis courts, golf, playing pitches, indoor courts/sports halls etc.), archaeological archiving and activities and access to parks and open spaces for play and recreation. The Service is also responsible for community grants as well as providing education and outreach services and advice and support. The forecast remains in line with the previous month.
- 6.30 There is a forecast £0.1m pressure related to staffing costs within Housing, Homelessness and Community Leisure services due to the high level of temporary staff currently employed covering permanent posts due to a number of factors such as vacancies, maternity leave, etc. This is being reviewed by the service at present and exploring ways of mitigating costs.
- 6.31 The forecast also includes a pressure of £0.6m related to a reduction of income for leisure services mainly at the Corby International Pool (£0.3m) and Corby Lodge Park Sports Centre (£0.2m) with a further £0.1m in other areas, due to the current restrictions on visitors numbers. This is in part offset by lower staff costs which are estimated to be around £0.2m. The service will make a claim against COVID-19 funding which is available from Government until the end of June and which, if successful, could reduce the pressure, by around £250k, and this has been assumed in the forecast.

Place and Economy - £599k Underspend

- 6.32 The Place and Economy net budget totals £55.783m and is forecasting an underspend of £599k, which is an adverse change of £49k since last month. Place and Economy covers the following four areas:
- Growth and Regeneration
 - Assets and Environment
 - Highways and Waste
 - Regulatory Services
- 6.33 Services within Asset and Capital Management include the management of the Council’s corporate assets and capital programmes, together with the effective management of the Council’s strategic assets and landholdings.

- 6.34 Other key components within Place and Economy are Waste Management, Highways and Transportation, (including the Streetlighting PFI), Economic Development, Infrastructure and Funding, Trading Standards and Flood and Water Management.
- 6.35 Within Place the key budgets affected by demand/volumes are Home to School Transport, Concessionary Fares and Waste Disposal and Collection. The Directorate also includes responsibility for the Council's commercial estate which will often be influenced by economic conditions.
- 6.36 As part of the budget setting additional funding was provided for contract inflation of £1.1m covering Home to School transport (£300k), Street Lighting PFI (£100k) and general contract inflation (£0.7m). Savings include changes in waste tonnages including recycling, composting and food waste of £2.0m, Recycling credits £0.6m and additional income through fees and charges due to rising demand of £200k.
- 6.37 The Service has a forecast underspend of £599k which consists of the following main movements as outlined in the paragraphs below

Car Parking Income - £443k Pressure

- 6.38 As previously reported last month there is a forecast pressure for car parking income in relation to Kettering as charging had previously been suspended for a number of months – the estimated pressure is £158k. Car Parking charges were reintroduced from 9th August following the removal of COVID-19 restrictions on 19 July.
- 6.39 There is also a forecast net pressure of £33k which is unchanged from Period 4) for Corby car parking income as, although charging is in place, receipts have been lower than would normally be expected. The Council will seek support from the Government Scheme to reimburse Local Authorities for lost income which is paid at 75% once the Council has met losses equivalent to 5% of the budget, this funding is only payable in respect of claims for losses in the first quarter of 2021/22 and is not available where Councils have chosen to suspend car parking charges. This is reflected in the forecast net pressure. There is a further pressure of £43k relating to additional costs for maintenance work at the Car Parks in Corby.
- 6.40 The forecast pressure on the number of Fixed Penalty Charges for on-street parking estimated to be £210k. This is an area that will continue to be monitored closely.

Concessionary Fares - £836k Underspend

- 6.41 This has remained unchanged since last month. The Department for Transport had requested that authorities continue to reimburse bus operators based on the average number of journeys in the winter months prior to the COVID-19 outbreak (December 2019 to February 2020).
- 6.42 The alternative is that the Council reverts to paying bus operators on the actual number of journeys. Reimbursing bus operators based on the average rather than the actual usage is estimated to be between £500k and £700k higher. The

Council's support to the bus industry helps safeguard local bus services for residents throughout the pandemic and during the recovery period. This approach was agreed by the Executive at the meeting on 26th August. The estimated underspend is £236k.

- 6.43 Further to this it is forecast that the Council will underspend against the budget determined through the disaggregation principles by around £0.6m.

Subsidised Bus Services - £30k Pressure

- 6.44 There is a forecast pressure of £30k which is unchanged from Period 4 on subsidised bus services due to the potential difference between the anticipated cost of the service and the funding available from parish councils, S106 developer contributions and Bus Services Ring-Fenced Grant. This is unchanged from last month.

Markets - £16k Pressure

- 6.45 The responsibility for the markets is being transferred to Kettering Town Council (KTC) and the net impact is forecast to be around £16k, unchanged from last month, as the costs associated with managing the market will also transfer to Kettering Town Council.

Waste Management - £316k Underspend

- 6.46 There is a forecast net underspend of £68k on the Refuse and Recycling Collection Service across the Kettering and Corby areas which is a reduction of £9k from the Period 4 projection. This comprises a projected saving of £234k on co-mingled waste and a projected saving of £19k on food waste due to reduced gate fees. This is partly offset by pressures on garden waste of £123k due to a higher gate fee and a pressure of £62k as the Council previously received an income stream for paper. Additionally, Kettering and Corby trade waste income is forecasting £100k more income than budget which is partially offset by additional costs of £17k.

- 6.47 The Waste Management service is also forecasting an underspend of £165k (Period 4 £101k) due to lower than anticipated tonnages for:

- Domestic waste (£84k)
- Hazardous Waste (£41k)
- Household Waste Recycling Centres (HWRCs) (£40k)

Commercial Income - £200k Underspend

- 6.48 The Council's commercial estate remains an important source of income to the Council as well as providing a good basis for regeneration and generating economic activity. The Council's Property Management Team continue to work closely with tenants and despite the challenging economic climate the commercial income portfolio remains around £200k better than budget.

Planning Fees / Building Control Income - £236k Pressure

- 6.49 Income from both Planning Fees and Building Control income is forecast to be lower than budget, this is an area that remains difficult to predict in the current economic climate and is one that will continue to be closely monitored.

Temporary Toilets - £28k pressure

- 6.50 During COVID-19 temporary toilets were set up at Meadow Road in Kettering and these are expected to remain until the end of the year resulting in an additional pressure of £28k.

Enabling and Support Services - £922k pressure

- 6.51 Enabling and Support Services consists of the following main grouping of services which also includes a number of corporate budget areas:

- Finance, Procurement and Revenues and Benefits Service
- Human Resources, Legal and Democratic Services
- Transformation, ICT and Customer Services

- 6.52 Overall, for these services the net revenue budget is £31.567m in 2021/22. Currently there is a forecast pressure of £0.922m which is set out in the following paragraphs.

- 6.53 There is a forecast overspend of £463k relating to income assumptions within the treasury management function, which is unchanged from the forecast reported in Period 4. This is due to two pressures which have arisen following the disaggregation of the County Council's budget, the first is a budget for the capitalisation of interest of £211k and the second is interest on equity of £212k, both of which are no longer considered achievable and will become a pressure in 2021/22 and the longer term. There is also a £40k shortfall in the investment income forecast which assumes that the historically low interest rates will continue throughout the year.

- 6.54 Work is ongoing to mitigate budget pressures through reviewing the council's investment portfolio and seeking further investment opportunities.

- 6.55 The Revenues and Benefits Service were forecasting an overspend of £94k at the end Period of 4, this remains unchanged for Period 5. The overall variance relates to the under recovery of court costs (£295k) offset by additional income relating to the business rates cost of collection (£53k). The under recovery of court costs reflects the decision the Council has made in not taking recovery action for Council Tax arrears in the first quarter of the financial year, leaving a shortfall against the budget. Recovery commenced in quarter two of this year. The additional income for business rates cost of collection reflects the position calculated for the annual estimated return to Government, which was higher than the prior year legacy budgets on which the 2021/22 budget was based. This is further offset by additional grant income of £148k for the Housing Benefit Administration Grant which was higher than the prior year legacy budgets on which the 2021/22 budget was based.

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- 6.56 During Period 5 an ongoing levy of £31k has been identified in relation to the management of historic insurance liabilities associated with the former Councils within North Northamptonshire through Municipal Mutual Insurance (MMI).
- 6.57 Public Sector Audit Appointments Ltd (PSAA) is the body a number of local authorities have used to appoint external auditors. The revenue PSAA receives covers the costs of its auditors and operating expenses. As PSAA operates on a not-for-profit basis surplus funds are redistributed to those authorities who opted into the PSAA, this amounts to one off income for the Council of £41k.
- 6.58 North Northamptonshire has a dedicated transformation team working to deliver the changes required in the North to bring services together effectively and move towards more efficient operating models for services. This will include reviewing how the Council interacts with its customers, residents, partners and other stakeholders and will involve contractual arrangements, opportunities to expand and enhance the digital experience and realising property efficiencies, thereby reducing costs and improving services going forward.
- 6.59 As approved within the 2021/22 budget the service is, in the main, funded through a time limited contribution from reserves. Any variance against the £2.3m budget will be met through an adjustment to the movement to or from reserves.
- 6.60 The ICT budget is forecasting a pressure of £75k. This is in relation to a historical budget pressures inherited from a legacy borough in relation to contract inflation and remote support from a contract with Capita.
- 6.61 A review of all income budgets within the Transformation Directorate is currently underway, with £300k already being identified as unachievable in relation to ex LGSS income budgets for business systems and change management. These budgets were allocated between Councils as part of the general disaggregation principles for the County Council's budget. " This has now been reflected as a pressure within the ICT budget.

Summary of General Fund Savings Delivery

- 6.62 The Council has a savings requirement of £19.161m (including income proposals) within its 2021/22 budget. The deliverability of these proposals is being monitored by each accountable service lead, budget manager and senior officer up to Service Director level. These are summarised in the following Table and full details are provided in **Appendix A**. It is recognised that the continuing numbers of COVID-19 cases may put some savings at risk particularly with regard to Adult Social Care. Where there is concern regarding the achievement of savings mitigations are being sought. The position is unchanged from Period 4.

	Children's & Education	Adults, Communities and Wellbeing Services	Place and Economy	Enabling & Support Services	Total
	£000	£000	£000	£000	£000
Service Savings					
Demographic/ service demand	0	(25)	(2,817)	(750)	(3,592)
Legislative changes	0	0	0	(356)	(356)
Full year effects of previous decisions	(1,706)	(8,637)	(452)	(723)	(11,518)
Pay	(113)	(46)	0	(667)	(826)
Technical changes	(142)	0	(383)	0	(525)
LGR	0	(44)	0	(2,300)	(2,344)
Service Savings	(1,961)	(8,752)	(3,652)	(4,796)	(19,161)

7. Housing Revenue Account

- 7.1 Within North Northamptonshire prior to 1st April 2021 there were two HRA accounts, covering the sovereign Councils of Kettering and Corby respectively. As part of the move to a single unitary council for North Northamptonshire, there was a statutory requirement to create a single HRA for the area. Whilst North Northamptonshire Council must only operate one HRA it will, for a period of time, operate two separate Neighbourhood Accounts, these being.
- 7.2 The Period 5 projections for the Corby Neighbourhood Account remain unchanged and show a pressure of £42k this is as a result of the Service Charge income being lower than budget. The costs incurred for service charges in 2020/21 are recovered in 2021/22. The forecasts for the Corby Neighbourhood Account are reflected in the following table.

Corby Neighbourhood Account			
	Original Budget 2021/22	Projection 2021/22	Variance
	£000	£000	£000
INCOME			
Rents - Dwellings Only	18,956	18,956	0
Service Charges	622	580	42
HRA Investment Income	69	69	0
Total Income	19,647	19,605	42
EXPENDITURE			
Repairs and Maintenance	5,550	5,550	0
General Management	5,176	5,176	0
HRA Self Financing	14,663	14,663	0
Revenue Contribution to Capital	3,791	3,791	0
Transfer To / (From) Reserves	(10,646)	(10,646)	0
Special Services	692	692	0
Other	421	421	0
Total Expenditure	19,647	19,647	0
Net Operating Expenditure	0	42	42

- 7.3 The forecast position for the Kettering Neighbourhood Account at the end of Period 5 remains unchanged from Period 4 and shows a pressure of £32k. Rental income from dwellings is forecast to be £16k less than budget – this is a result of higher void rates than budgeted and there is also a pressure of £16k from lower service charge income. The forecasts for the Kettering Neighbourhood Account are reflected in the table below.

Kettering Neighbourhood Account			
	Original Budget 2021/22	Projection 2021/22	Variance
	£000	£000	£000
INCOME			
Rents - Dwellings Only	15,066	15,050	16
Service Charges	430	414	16
HRA Investment Income	7	7	0
Total Income	15,503	15,471	32
EXPENDITURE			
Repairs and Maintenance	4,041	4,041	0
General Management	2,784	2,784	0
HRA Self Financing	4,585	4,585	0
Revenue Contribution to Capital	2,555	2,555	0
Transfer To / (From) Reserves	(119)	(119)	0
Special Services	1,111	1,111	0
Other	546	546	0
Total Expenditure	15,503	15,503	0
Net Operating Expenditure	0	32	32

8. Conclusions

- 8.1 The forecast overspend as at Period 5 is £73k which is an adverse movement of £339k since Period 4 where an underspend of £266k was reported.
- 8.2 The key risks which are set out in the report will continue to be monitored and mitigations sought as required throughout 2021/22. The achievement of the approved savings targets is also integral to this process and will continue to be closely monitored and reported. Further work is ongoing in a number of areas to strengthen the forecast, most notably related to the disaggregation of the budget and services from the County Council.
- 8.3 The prior year outturn position and accounts of the predecessor Councils are yet to be reported and formally signed off. The Council may be required to consider any legacy issues arising as a result of the closedown and subsequent audits. Further updates relating to this will be provided at future meetings of the Executive.

9. Implications (including financial implications)

Resources and Financial

- 9.1 The resource and financial implications of North Northamptonshire Council are set out in this report. The current forecast position for the General Fund is an overspend of £73k and the Housing Revenue Account is forecasting an overspend of £74k.

Legal

- 9.2 The provisions of the Local Government Finance Act 1992 set out requirements for the Council to set a balanced budget with regard to the advice of its Chief Finance Officer (Section 151 Officer).
- 9.3 The robustness of the budget estimates and the adequacy of the proposed reserves were considered under Section 25 of the Local Government Act 2003 prior to the Shadow Authority agreeing its 2021/22 budget.

Risk

- 9.4 The deliverability of the 2021/22 Revenue Budget is monitored by Budget Managers. However, it is acknowledged that the Council's budget has been arrived at through using a number of disaggregation methodologies from the predecessor County Council budget rather than being built up over a period of time and as such there are inherent risks in the forecast position as the actual activity for North Northamptonshire takes place during the year which may not directly align to the split within the disaggregation.
- 9.5 Where any variances or emerging pressures are identified during the year then mitigating actions will be sought and management interventions undertaken.

- 9.6 Details of pressures, risks and mitigating actions implemented will be provided as part of the finance monitoring reports as the year progresses. The main risks identified include demand led services such as Adult Social Care, commercial income which is at risk due to the prolonged impact of COVID-19 and the continuing review of budgets disaggregated from the County Council against actual/likely commitments both expenditure and income.
- 9.7 The staffing budget is a significant part of this review and officers are working to ensure that funded posts and associated costs are understood and within budget. Controls are in place with regard to approval of recruitment requests whilst the budgets are reviewed.
- 9.8 The Council holds a contingency and a number of reserves to help safeguard against the risks inherent within the budget for 2021/22. Where required pressures and other movements will be included as part of the Council's Medium Term Financial Strategy when this is updated from 2022/23.

Consultation

- 9.9 The 2021/22 budget was subject to consultation prior to approval by the North Northamptonshire Shadow Authority in February 2021.

Climate Impact

- 9.10 Among the new Council's priorities will be putting in place plans to improve the local environment and tackle the ongoing climate emergency. Where these have a financial impact then it will be reflected in the budget.

Community Impact

- 9.11 No distinct community impacts have been identified because of the proposals included in this report.

10. Issues and Choices

- 10.1 The report focuses on the forecast revenue outturn against budget for 2021/22 and makes recommendations for the Executive to note the current budgetary position as such there are no specific choices within the report.

11. Background Papers

- 11.1 The following background papers can be considered in relation to this report.

Final Budget 2021/22 and Medium-Term Financial Plans, including the Council Tax Resolution, North Northamptonshire Shadow Authority, 25th February 2021.

Monthly Budget Forecast Reports to the Executive.

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Budget Savings

Directorate	Proposal Title	Proposal Description	Ref	Category	2021/22	RAG
Children's Services	Improvement in capacity building in foster care	Ensuring that adolescents are not placed in residential home settings due to lack of in house fostering capacity, skill and abilities through the development of an in house specialist fostering service. Positive impact on children placed in a family setting, and savings will through reduced reliance on residential placements.	20-04-02-02-01	Full year effects of previous decisions	(458)	A
Children's Services	Reducing Reliance on Agency Staff	A proposal to increase the proportion of permanent staffing within the Children's Trust, reducing reliance on agency staff, through a refreshed Workforce Strategy and Quality Assurance Framework that creates a stable and effective workforce.	20-04-02-02-02	Full year effects of previous decisions	(115)	A
Children's Services	Reduction in Residential Care	Step down from high end residential places to Independent Fostering Agencies through reviews and joint working/incentives that drive better outcomes. This will drive reduced placement costs and more children will be cared for in a family setting.	20-04-02-02-03	Full year effects of previous decisions	(179)	A
Children's Services	Improved children's outcomes	Ensuring that only children and young people who need to be in public care are placed, as a result of improved Edge of care support and intervention with families. Working towards minimising the amount of time a child is in care before they are united with their parents.	20-04-02-02-04	Full year effects of previous decisions	(301)	A
Children's Services	Supported Accommodation	A new model of progressive semi-independent accommodation to support the transition for young people to self-supported housing.	20-04-02-02-05	Full year effects of previous decisions	(85)	A
Children's Services	In-House Foster Carers	Increase use of in-house fostering through an improved recruitment and retention strategy for standard carers. This will reduce reliance on agency placement.	20-04-02-02-06	Full year effects of previous decisions	(194)	A
Children's Services	Transport optimisation	Review of transport requirements to reduce costs to ensure an efficient use of service.	20-04-02-02-07	Full year effects of previous decisions	(97)	A
Children's Services	UASC	Changes to the Council subsidy required in addition to Home Office funding of support for Unaccompanied Asylum Seeking Children (UASC) and former UASC (those aged 18 and over). (Ref 04-02-01-02)	20-04-02-02-08	Full year effects of previous decisions	(277)	A
Children's Services	Innovate Team and PIP (Partners in Practice) team	Removal of one off expenditure for additional social worker capacity in the duty and assessment team throughout April-May 2020 to safely manage current demand and stabilise the service, and an extension of the Court Team throughout April-June 2020 as provided by Partners in Practice to ensure skills transfer and an exit strategy are in place.	20-05-02-02-02	Pay	(113)	A
Children's Services	Family Group Conferencing	Removal of one off funding in respect of DfE grant funding for the Supporting Families: investing in practice programme. The DfE are working with a number of local authorities, including NCC, to test a model of Family Group Conferencing to gather robust and usable evidence on the effectiveness in keeping children and parents together.	20-06-02-02-01	Technical changes	(142)	A
Adults, Communities & Wellbeing	Library Book Fund	Reduction in budget spent on book supplies for libraries - reflection of move to on line resources	20-03-01-02-01	Demographic/service demand	(25)	A
Adults, Communities & Wellbeing	Library Agency Staff	Removal of budget only required during transformation period	20-03-01-02-02	Pay	(46)	A
Adults, Communities & Wellbeing	Theatre Interim Mgt Costs	Reduction in Contract Costs relating to the Castle Theatre	20-04-01-02-01	Full year effects of previous decisions	(8)	A
Adults, Communities & Wellbeing	Specialist centre for – Step down Care Mental Health and Acquired brain injury	Moray Lodge development providing specialist and step down supported living for people with an acquired brain Injury and mental health support needs.	20-04-01-02-02	Full year effects of previous decisions	(154)	A
Adults, Communities & Wellbeing	Rapid response falls & admission avoidance service	A new service (initially funded by business rate pilot fund) provided by health, social care and East Midlands Ambulance Service providing support following falls in the home to reduce hospital admissions and likelihood of long term social care.	20-04-01-02-03	Full year effects of previous decisions	(1,918)	A
Adults, Communities & Wellbeing	Strengths based working	Transformation of adult social care pathways and processes to ensure focus on client outcomes, independence, better decision making and best practice approaches to reduce delays and spend.	20-04-01-02-04	Full year effects of previous decisions	(2,153)	A

Budget Savings - Continued

Directorate	Proposal Title	Proposal Description	Ref	Category	2021/22	RAG
Adults, Communities & Wellbeing	Rebaselining	This reduction in care budgets is to realign the base budget to the position reported for 20-21, where the service has seen a reduced demand against original budget.	20-04-01-02-05	Full year effects of previous decisions	(3,209)	A
Adults, Communities & Wellbeing	Prevention contract cessation/redesign	The new adult social care Target Operating Model has resulted in the decision to cease (following their termination dates expiring) a number of contracts. These services will now be delivered through an overarching approach to service delivery.	20-04-01-02-06	Full year effects of previous decisions	(149)	A
Adults, Communities & Wellbeing	Sheltered Housing Contracts cessation/redesign	The adult social care Target Operating Model has resulted in the decision to cease (following their termination dates expiring) a number of sheltered housing contracts. These services will now be delivered through an overarching approach to service delivery.	20-04-01-02-07	Full year effects of previous decisions	(71)	A
Adults, Communities & Wellbeing	Independent Care - Physical Disability	Rebaselining based on latest monitoring position against the Physical Disability cohort budget.	20-04-01-02-08	Full year effects of previous decisions	(762)	A
Adults, Communities & Wellbeing	Learning Disability Provider Framework efficiencies	Review activity to support progression for people with a Learning Disability, including implementation of new provider framework with improved pricing strategy, outcomes and incentivised step down	20-04-01-02-09	Full year effects of previous decisions	(213)	A
Adults, Communities & Wellbeing	Housing Options Saving	Saving relating to the harmonisation of the Housing Options Allocation System	20-08-03-02-03	LGR	(44)	A
Place & Economy	additional income	Additional income from fees and charges relating to additional demand	20-03-06-02-01	Demographic/service demand	(230)	A
Place & Economy	Home to School Transport Demography	Change required reflecting the population trend in the county. Trend analysis has been used to provide a forecast position. (Ref 03-06-01-03)	20-03-06-02-02	Demographic/service demand	(22)	G
Place & Economy	Recycling Credits	Realignment of Recycling Credits Budget	20-03-06-02-03	Demographic/service demand	(565)	G
Place & Economy	Volume changes on Waste Budgets	Forecast based on projections of how much waste will be produced in the area including recycling, composting and food waste tonnages.	20-03-06-02-04	Demographic/service demand	(2,000)	A
Place & Economy	Reduction in Grants	This reflects a reduction due to a one off increase in Grants in 2020/21 returning to the substantive budget.	20-04-06-02-01	Full year effects of previous decisions	(140)	G
Place & Economy	Enterprise Centre Business Case	Increase in income based on appointed operators business case.	20-04-06-02-03	Full year effects of previous decisions	(202)	A
Place & Economy	Concessionary Fares	Removal of surplus budget for Concessionary Fares based on forecast underutilisation of the scheme.	20-04-06-02-05	Full year effects of previous decisions	(95)	G
Place & Economy	Country Parks	Annual revenue benefit of capital investment in Sywell Country Park sewage treatment plant.	20-04-06-02-07	Full year effects of previous decisions	(15)	G
Place & Economy	Fees and Charges	Harmonisation of Prioritised Fees and Charges	20-06-03-02-01	Technical changes	(37)	A
Place & Economy	Fees and Charges	Inflationary Uplift of Fees and Charges owing to a new charging strategy.	20-06-03-02-02	Technical changes	(346)	A
Enabling & Support Services	Insurance Contract	Estimated reduction in the Insurance Contract due to self insuring	20-03-04-02-05	Demographic/service demand	(750)	A
Enabling & Support Services	Removal of ICT, FM & General Risk Budgets	Removal of specific Contingency Budgets owing to the creation of a corporate contingency.	20-04-04-02-01	Full year effects of previous decisions	(493)	G
Enabling & Support Services	Reductions in Technical Finance Budgets	Removal of base budget relating to the cost of Commissioners.	20-04-04-02-02	Full year effects of previous decisions	(230)	G
Enabling & Support Services	Vacancy Factor	Increase in the Council's Vacancy Factor by £250k to £1.6m	20-05-04-02-01	Pay	(250)	A
Enabling & Support Services	Local Elections	Removal of one off increases in budget to cover local elections, subsequently deferred to May 2021.	20-07-05-02-01	Legislative changes	(356)	G
Enabling & Support Services	Pension contributions	Reduction in Council contribution payment to Pension Fund following transfer of staff to Children's Trust (Ref 05-02-01-01)	20-05-04-02-02	Pay	(417)	A
Enabling & Support Services	Staffing Savings	Estimated savings related to the Senior Leadership Structure	20-08-03-02-01	LGR	(2,300)	A
Savings					(19,161)	

Finance & Resources Scrutiny Committee 2nd November 2021

Report Title	Local Council Tax Support Scheme 2022/23
Report Author	Lucy Hogston, Assistant Director of Revenue and Benefits lucy.hogston@northnorthants.gov.uk

List of Appendices

None

1. Purpose of Report

- 1.1. The purpose of this report is to update the Finance & Scrutiny Committee on the Local Council Tax Support Scheme for 2021/22 and propose a scheme for 2022/23.

2. Executive Summary

- 2.1 The report provides an update on the Local Council Tax Support Scheme (LCTSS) 2021/22, with regards to claimant caseload, expenditure and Council Tax collection performance to enable Members provide feedback to the Executive Committee on a LCTSS for 2022/23.
- 2.2 The Executive will be asked to resolve to recommend to Council at its meeting on 1 December 2021, that the Local Council Tax Support Scheme for 2022/23 remains the same as the scheme in place for 2021/22 and as set out in paragraph 4.6 of this report, with the exception of changes to be made for the annual uprating of allowances and premiums and statutory base legislation changes which are required to be made to the scheme.

3. Recommendations

- 3.1 It is recommended that the Finance & Scrutiny Committee:
- a) Consider the proposed Local Council Tax Support Scheme for 2022/23 that will be presented to the Executive on the 18 November 2021.

- b) Provide feedback to the Executive to inform their decision making at the meeting on 18 November 2021, noting that the Scheme will be presented to Council at its meeting on 1 December 2021.
- 3.2 Reason for Recommendations – to deliver a Local Council Tax Support Scheme for 2022/23 that meets statutory requirements.

4. Background and Context

- 4.1 Members will be aware that from April 2013 each Local Authority has been required to determine a Local Council Tax Support Scheme (LCTSS), which replaced the national Council Tax Benefit Scheme.
- 4.2 The scheme applies to working age claimants only as the government prescribes the scheme for pensioner claimants.
- 4.3 Local discretion relates to the maximum level of support available to working age claimants, and therefore the minimum percentage of the Council Tax bill that they are expected to meet. There is also local discretion in relation to eligibility criteria.
- 4.4 Due to the formation of the new Unitary Authority for North Northamptonshire from 1st April 2021 a Task and Finish Group was set up to review the four separate sovereign District and Borough LCTS Schemes and develop a single scheme for consultation and implementation covering the whole of North Northamptonshire for 2021/22.
- 4.5 The Task and Finish Group received details of the existing schemes; giving them a thorough understanding what was already in place, the various options they could take to amend the scheme and the financial implications of any proposed changes both for the new authority, the wider North Northamptonshire residents and particularly those in receipt of LCTS.
- 4.6 The Task and Finish Group considered all the background information and the following scheme was issued for consultation:
- The LCTSS headline rate at 25%, i.e. a minimum payment of 25% to be made towards Council Tax
 - Backdating of LCTSS claims restricted to one month
 - Removal of the family premium for new claims
 - Limit on the dependents allowance to two dependent children
 - Temporary absence outside the UK limited to four weeks
 - Removal of the Work-Related Activity Component for new Employment and Support Allowance claimants
 - Removal of the Severe Disability Premium where another person is paid Universal Credit (carers element) to look after them.
- 4.7 An eight week consultation process took place (two weeks longer than the statutory six week requirement); and following this the results were presented

to the North Northamptonshire Shadow Overview and Scrutiny Committee for consideration.

- 4.8 On the 7th January 2021, following the feedback from the consultation process and Scrutiny, the Shadow Executive approved the LCTSS for 2021/22 as set out in paragraph 4.6 above.

5. Issues and Choices

- 5.1 The legislation stipulates that for each financial year, each billing authority must consider whether to continue its LCTSS or to replace it with another scheme.
- 5.2 There are around 17,938 claimants in receipt of LCTS in North Northamptonshire, of these 58% are of working age and 42% of pensionable age. The current LCTS expenditure for 2021/22 is £15.8m, this may change by the end of the financial year depending on whether claimant caseload increases or decreases.
- 5.3 Since the implementation of the new LCTS Scheme on the 1st April 2021, the number of claimants has reduced by 152 and the expenditure has reduced by £237,275.
- 5.4 It is worth noting that although over the past six months the claimant caseload and expenditure has been steadily declining, the furlough scheme subsequently ended on the 30 September 2021 therefore the claimant caseload may increase again if people claim Universal Credit (and subsequently LCTS) following changes to their employment circumstances. The impact of this will not be known until at least mid-November 2021, this is because the Department for Work and Pensions take a minimum of five weeks to process Universal Credit claims.
- 5.5 Council Tax collection rates are monitored on a monthly basis, the amount of Council Tax collected during the period 1st April 2021 – 30th September 2021 was £123.5m, which equates to c56.79% of the net debit raised. This is 0.79% above the 2021/22 target and 0.38% above the collection rate at the same point in time during 2020/21.
- 5.6 Concerns were previously raised about a person's ability to pay the minimum 25% contribution towards their Council Tax. The Council has a scheme in place where an individual can apply for a Council Tax Discretionary Discount, there is a provision within Section 13A of the Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012), that provides the Council with discretionary powers to reduce Council Tax liability. The Council Tax Discretionary Discount awards are made to help mitigate any unforeseen or exceptional hardship circumstances that threaten taxpayers' ability to pay the Council Tax.
- 5.7 For the period 1st April 2021 to 30th September 2021, 89 Council Tax Discretionary Discount applications had been received under S13A of the Local Government Finance Act. Of these 40 have been processed, resulting in one award and 39 refusals. There are 49 applications awaiting assessment, this is

where further information has been requested from the customer to complete their application.

- 5.8 The majority of those refused access to the scheme have excess income so it is considered that they are able to make the payments, no one has appealed the refusals and officers can clearly show the methodology used.
- 5.9 In nearly all of the cases the Revenue and Benefits Social Inclusion Team has spoken with the customer and has been able to help in other areas such as Discretionary Housing Payment applications, Personal Independence Payment applications, utilities and general money and debt advice.
- 5.10 It is reassuring to see that the overall advice and support is being taken up which can assist individuals in accessing further help.
- 5.11 Taking into account the position on the current LCTS Scheme, it is proposed that the Council continues with the same scheme from 1 April 2022 (2022/23). The only changes being the annual uprating of allowances and premiums and the application of any statutory base legislation changes which are required to be made to the scheme. The Council will also continue to operate the discretionary scheme in line with S13A of the Local Government Finance Act.

6. Implications (including financial implications)

6.1 Resources and Financial

- 6.1.1 If the LCTS Scheme remains the same in 2022/23 as in 2021/22, there will not be a requirement for a consultation process, in addition the Revenue and Benefits ICT systems would not need their parameters updating to accommodate the scheme changes. Therefore, there are no immediate resource implications from the proposals.
- 6.1.2 When the decision was made to move to the new single scheme, the cost neutral impact for 2021/22 was estimated at c£15.7m and with a 25% contribution rate. At the 1st April 2021 the actual cost was £16m but since then expenditure has reduced to close to the estimated figure at £15.8m. Therefore, based on the current trend in caseload and expenditure since 1st April 2021, the scheme could continue as in 2021/22 without the need to increase the minimum contribution (25%) and remain cost neutral in 2022/23.
- 6.1.3 Generally, a 1% movement in the minimum payment rate from the current scheme amounts to a change in the Council's budget of c£80k. For example, changing to a 20% scheme would create an estimated cost pressure to be met of around £400k.

6.2 Legal

- 6.2.1 The requirements for a local authority to produce a LCTS Scheme are set out in the Local Government Finance Act 1992 (92 Act), Section 13A (2), amended by the Local Government Finance Act 2012 (2012 Act). There are detailed provisions about the contents of such a scheme, the consultation process and

date by which a scheme, if it is proposed to be revised, must be revised by. The date for the LCTSS 2022/23 is 11th March 2022.

6.3 Risk

6.3.1 There is low level of risk with regards to the affordability of the scheme for customers if the LCTSS remains the same. Effective controls have been put in place such as a proactive recovery processes and money and debt advice provision. This is reflected in the collection rates not being negatively impacted, and furthermore they are above target for this financial year and up on the same point in time last year.

6.4 Consultation

6.4.1 Consultation is only required if NNC decided to revise the LCTSS that is currently in place.

6.4.2 If the Council decided to revise the scheme then it must, in the following order:

(a) consult any major precepting authority which has power to issue a precept to it,

(b) publish a draft scheme in such manner as it thinks fit, and

(c) consult such other persons as it considers are likely to have an interest in the operation of the scheme.

6.5 Consideration by Scrutiny

6.5.1 The Finance Scrutiny Committee will be considering the LCTSS 2022/23 at its meeting on the 2nd November 2021.

6.6 Climate Impact

6.6.1 None arising from this report.

6.7 Community Impact

6.7.1 There are approximately 10,328 working age LCTS claimants in North Northamptonshire; this represents approximately 7% of the North Northants community liable to pay Council Tax. If the LCTSS remains unchanged there won't be any impact on these claimants, however any changes to the LCTSS may have a financial impact on that group depending on what change that is.

7. Background Papers

7.1 North Northamptonshire Shadow Executive Committee Meeting,

24 September 2020, Council Tax Support Scheme – Request to go out to Consultation

7.2 North Northamptonshire Shadow Overview & Scrutiny Committee Meeting, 8 October 2020, Council Tax Support Scheme 2020 – Request to go out to Consultation

7.3 North Northamptonshire Shadow Overview & Scrutiny Committee Meeting, 10 December 2020, Council Tax Support Scheme – Consultation Analysis

7.4 North Northamptonshire Shadow Executive Committee Meeting, 7 January 2021, Local Council Tax Support Scheme 2021/22.

Finance & Resources Scrutiny Committee 2nd November 2021

Report Title	Performance Indicator Report 2021/22 - Quarter One (Corporate Support Services)
Executive Member	Cllr Jason Smithers, Leader of the Council
Report Author	Guy Holloway Assistant Chief Executive guy.holloway@northnorthants.gov.uk

List of Appendices

Appendix A – Corporate Support Services Performance Indicator Report (Quarter 1)

1. Purpose of Report

- 1.1 To provide an update on the performance of the Council's corporate support services for Quarter One (April – June) as measured by performance indicators.
- 1.2 Set out some of the actions the Council is taking to develop its performance monitoring arrangements.

2. Executive Summary

- 2.1 Performance indicators for the Council's corporate support service functions for the first quarter of the 2021/22 have been provided as **Appendix A**.
- 2.2 The Council's corporate support functions include services such as Finance, Legal and Human Resources. The current performance reports are based on the consolidated performance monitoring arrangements of the legacy councils. A project is underway to develop a new, broader set of indicators and details of this will form part of the Corporate Plan report being considered at Executive on 18th November 2021.

3. Recommendations

3.1 It is recommended that the Committee:

- a) Note and comment on the performance indicators for the Council's corporate support services for Quarter 1, 2021/22 as set out in the appendix to this report.
- b) Note the actions that are being taken to develop the Council's performance monitoring arrangements.

3.2 *Reason for Recommendations – to support scrutiny of the performance of the Council's support services as measured by performance indicators as at the first quarter of 2021/22.*

4. Background Information

Scope of this performance report

- 4.1 The performance measures provided as **Appendix A** reflect the requirements of the Constitution for the Finance and Resources Committee which defines the need to “*consider organisational performance for corporate support services (ICT, legal, financial and HR services)*”.
- 4.2 It is envisaged that the performance measures reported to this committee will be further expanded in future. This reflects development being made to the Council's suite of performance indicators.

Developing the Council's performance management arrangements

- 4.3 Further information about how the Council is developing its approach to performance monitoring and its performance management culture is set out in the 5th August report to Executive, provided here for convenience: [Executive on Thursday 5th August, 2021](#)
- 4.4 The performance and the budget monitoring reports are not currently synchronised. A project to increase the frequency of performance reporting is underway. It is envisaged that the performance and budget reports will be in step with each other from the meeting of Executive in November 2021.
- 4.5 A number of improvements are being made to the format of the Council's performance reports. These will be outlined in the Quarter Two performance update report to the November meeting of the Executive. These enhanced reports will be available to Scrutiny members as soon as the report is published.
- 4.6 The appended performance information represents a fraction of the overall performance data measured by the Council. The scope of data collected by areas described as corporate support services will likely be expanded based on the developing suite of Corporate Plan performance indicators.

Target setting

- 4.7 The target data set out in **Appendix A** is being reviewed. Proposals will be included in a future report to the Executive as part of the corporate planning process. Targets set out in the Corporate Plan are likely to remain under review for some time as the Council better establishes its baseline performance position post unitary process and attains better comparative data post pandemic.

5. Implications

5.1 Resources and Financial

- 5.1.1 This report should be considered alongside the budget report. By looking at the reports together, a broader view of the performance of the Council can be understood. Moving forward, the performance reports will be brought into line with the budget reports to make this broader assessment more meaningful.

5.2 Legal

- 5.2.1 None at this stage.

5.3 Risk

- 5.3.1 There are a number of risks relating to performance information:

- (a) Poor data quality – Inaccurate data will inevitably lead to less accurate decision making and scrutiny of those decisions and services.
- (b) Lack of data – Failing to measure key service activities can leave the Council sightless of its performance. Given the importance of many of the services it provides, this would be an undesirable position.
- (c) Incorrect interpretations – caution should be applied to the interpretation of performance data, particularly given the adjustments that have been made by services to adopt to the COVID pandemic. Misunderstanding the performance picture can lead to the ineffective scrutiny and potential reputational damage.

5.4 Consultation

- 5.4.1 More information will be set out in the Corporate Plan report going to the Executive on the 18th November on how consultation has been used to help shape the Council's future plans and linked performance indicators.

5.5 Climate Impact

- 5.5.1 Some of the Council's performance indicators relate to climate change. These are outside the scope of the performance update provided within this report.

5.6 Community Impact

- 5.6.1 Effective scrutiny, guided by good quality, timely and relevant performance data can make a real difference to the delivery of public services. It can have an equally significant impact on local communities.

6 Issues and Choices

- 6.1 None at this stage

7 Background Papers

- 7.1 Performance Indicator report for Period 3 (Q1) for all services, reported to the meeting of the Executive on 5th August 2021. [Executive on Thursday 5th August, 2021](#)

Ref No	Description of Performance Indicator	Benchmark (Mean English Unitaries 2019/20)	April 2021/22	April Volume	Direction of Travel (April to May)	May 2021/22	May Volume	Direction of Travel (May to June)	June 2021/22	June Volume	Year to Date (Quarter 1)	Year to Date volume (Quarter 1)	2021/22 Target	Comment
Legal and Democratic - Information Governance														
T11	% of Freedom of Information Requests completed in 20 working days	93%	80.46%	70 out of 87	↑	89.38%	101 out of 113	↓	83.47%	96 out of 115	84.76%	267 out of 315	80%	Note: 11 June requests excluded as still active. Data based on requests received in the month. Benchmark: Central Gov 2019
T12	% Environmental Information Regulation Requests completed in 20 working days	93%	97.14%	102 out of 105	↑	99.10%	109 out of 110	↑	100.00%	112 out of 112	98.78%	323 out of 327	80%	Note: 12 June requests excluded as still active. Data based on requests received in the month. Benchmark: Central Gov 2019
T13	% Individual Rights Requests completed in 1 calendar month	81%	100.0%	9 out of 9	↓	50.00%	7 out of 14	↑	69.23%	9 out of 13	69.44%	25 out of 36	85%	Note: 1 June request excluded as still active. Data based on requests received in the month. Benchmark: Kent CC 2019/20
Financial Services														
T14	% of invoices paid within 30 days	n/a	N/A	1,069 out of 1,069	↓	87.63%	2,040 out of 2,328	↑	92.05%	3,588 out of 3,898	91.80%	6,697 out of 7,295	95%	The April figure for invoices received at 100% is caused by an anomaly by the fact that the system was new on the 1st April and therefore started measuring invoices paid in the month using April as the base date.
T15	% of Council Tax collected	96.41%	10.63%	£23,029,873	n/a	19.72%	£42,783,163.60	n/a	29.05%	£63,069,552	29.05%	£63,069,552	98%	In future years a comparison with previous year can be provided
T16	% National Non Domestic Rates collected	97.93%	11.43%	£12,549,130	n/a	19.31%	£21,465,410.96	n/a	27.97%	£31,646,562	27.97%	£31,646,562	98%	In future years a comparison with previous year can be provided
T17	Average time taken to process benefits & Council Tax Support Claims (days):	18 days	22.12 days	885	↑	24.54 days	895	↓	21.72 days	1,047	22.74 days	2,827 claims	21 Days	Note that the benchmark is for Housing Benefit claims only. Legacy council targets were higher than benchmark. Target at ENC was under 23 days, BCW was under 24 days.
T18	Average time to process benefits & Council Tax Support Changes of circumstances (days):	5 days	6.6 days	3979	↓	6.29 days	6170	↑	7.05 days	4,599	6.61 days	14,748 change in circumstances	9 Days	Note that the benchmark is Housing Benefit change of circumstances only
Human Resources														
T19	Number of working days lost to sickness per employee (short-term)	n/a	0.19	n/a	↓	0.16	n/a	↑	0.23	n/a	0.57	n/a	tbd	It is anticipated that the sickness level recorded will increase as managers get used to reporting sickness on the Enterprise Resources Planning system. The system was new to many managers in Q1 of 2021.
T20	Number of working days lost to sickness per employee (long-term)	n/a	0.36	n/a	→	0.36	n/a	↑	0.43	n/a	1.21	n/a	tbd	It is anticipated that the sickness level recorded will increase as managers get used to reporting sickness on the Enterprise Resources Planning system. The system was new to many managers in Q1 of 2021.

Direction of Travel Key - Acceptable range = within 5% of last period performance

↑	Performance has improved from last period – Higher is better
↑	Performance has increased from last period – Lower is better
↑	Performance has increased but still within acceptable range of 5% of last period – Lower is better (or has increased but measure is neither higher or lower is better)
→	Performance has stayed the same since last period
↓	Performance has declined but still within acceptable range of 5% of last period – Higher is better (or has declined but measure is neither higher or lower is better)
↓	Performance has improved from last period – Lower is better
↓	Performance has declined from last period – Higher is better

	Performance on or above target
	Performance close to target
	Performance lower than target

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